



Business Technology Made Easy

# Notice of Annual General Meeting and Explanatory Statement

# 2018



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## 2018 Annual General Meeting

**Mark Bayliss**  
Executive Director & Chairman

**Dear Shareholders,**

On behalf of the Board of Directors, I extend an invitation to you to attend the 2018 Annual General Meeting (**AGM**) of CSG Limited.

The AGM will be held at KPMG, Tower Two, Collins Square, 727 Collins Street, Melbourne, VIC 3000 on Tuesday, 20 November 2018, commencing at 1:00pm (AEDT).

**Enclosed** is the Notice of Meeting, Explanatory Statement and Proxy Form.

The 2018 Annual Report is also **enclosed** if you elected to receive a printed copy.

The 2018 Annual Report is also available from the Company's website [www.csg.com.au](http://www.csg.com.au).

If you are unable to attend the AGM, but wish to record your votes on any of the resolutions to be put to the Meeting, I refer you to pages 4 and 5 of the Notice of Meeting where you will find instructions for use and completion of the Proxy Form and also the commentary within the Explanatory Statement in relation to proxies and voting exclusion statements.

On behalf of the Board, I look forward to your continued support.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Bayliss', with a long horizontal stroke extending to the right.

**Mark Bayliss**  
Chairman

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# Notice of Annual General Meeting

**NOTICE is given that the Annual General Meeting of CSG Limited (ACN 123 989 631) (Company) will be held at 1:00pm AEDT at KPMG, Tower Two, Collins Square, 727 Collins Street, Melbourne, VIC 3000 on Tuesday, 20 November 2018.**

The Explanatory Statement accompanies and forms part of this Notice of Meeting and provides additional information on matters to be considered at the Meeting. This Notice of Meeting and the Explanatory Statement should be read in their entirety.

## Items of Business

### Ordinary Business

#### Item 1: Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report of the Company and its controlled entities prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) for the financial year ended 30 June 2018.

#### Item 2: Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That the Remuneration Report included within the Directors' Report of the Company for the financial year ended 30 June 2018 be adopted.

The outcome of this resolution is advisory only and does not bind the Company or the Board.

#### Voting Exclusion Statement

**Voting on Item 2:** A voting exclusion applies to this resolution (please see the Explanatory Statement to this Notice of Meeting).

#### Item 3: Re-election of Bernie Campbell

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That Bernie Campbell, having retired in accordance with clause 13.6 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company.

#### Item 4: Re-election of Mark Bayliss

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That Mark Bayliss, having retired in accordance with clause 13.10 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company.

### Special Business

#### Item 5: Ratification of previous share issues

To consider and, if thought fit, pass the following as an ordinary resolution:

That, for the purposes of Listing Rule 7.4 and for all other purposes, the previous issue of 4,000,000 fully paid ordinary shares in the capital of the Company to Mark Bayliss on 27 June 2018 (on the terms set out in the Explanatory Statement to this Notice of Meeting) be approved

#### Voting Exclusion Statement

**Voting on Item 5:** A voting exclusion applies to this resolution (please see the Explanatory Statement to this Notice of Meeting).

#### Item 6: Approval of issues and acquisitions of securities under the CSG Long Term Incentive Plan, CSG Tax Exempt Share Plan (Australia) and CSG Tax Exempt Share Plan (New Zealand)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That, for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, the following employee incentive schemes (summaries of which are set out in the Explanatory Statement to this Notice of Meeting) and all issues and acquisitions of securities (including performance rights and shares) under any of those employee incentive schemes be approved:

- CSG Long Term Incentive Plan;
- CSG Tax Exempt Share Plan (Australia); and
- CSG Tax Exempt Share Plan (New Zealand).

#### Voting Exclusion Statement

**Voting on Item 6:** A voting exclusion applies to this resolution (please see the Explanatory Statement to this Notice of Meeting).

# Notice of Annual General Meeting

## Items of Business (continued)

### Special Business (continued)

#### Item 7: Issue of Performance Rights to Julie-Ann Kerin

To consider and, if thought fit, pass the following as an ordinary resolution:

That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the issue of 4,950,000 Performance Rights (and any resulting issue, transfer or allocation of ordinary shares in the Company) to Julie-Ann Kerin (or her nominee) under the CSG Long Term Incentive Plan (on the terms set out in the Explanatory Statement to this Notice of Meeting) be approved.

#### Voting Exclusion Statement

**Voting on Item 7:** A voting exclusion applies to this resolution (please see the Explanatory Statement to this Notice of Meeting).

#### Item 8: Approval of Additional 10% Placement Capacity

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, the issue of equity securities totalling up to 10% of the issued capital of the Company, calculated in accordance with the formula set out in Listing Rule 7.1A.2 and on the terms set out in the Explanatory Statement to this Notice of Meeting, be approved.

#### Voting Exclusion Statement

**Voting on Item 8:** A voting exclusion applies to this resolution (please see the Explanatory Statement to this Notice of Meeting).

By order of the Board



**Kerrie-Anne Hutchins**

Company Secretary

Date: 19 October 2018

#### Persons entitled to vote

Under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that the ordinary shareholding of each shareholder for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the share register at 1:00am AEDT on Sunday, 18 November 2018. Each shareholder who is registered as the holder of ordinary shares in the Company as at that time will be entitled to attend and, subject to any voting exclusion statement set out in the Explanatory Statement, vote at the Meeting and may appoint a proxy for that purpose.

#### Voting and required majorities

To be effective, each ordinary resolution in this Notice of Meeting must be passed by more than 50% of all the votes cast by shareholders entitled to vote (whether in person or by proxy, attorney or representative). Subject to any voting exclusion statement set out in the Explanatory Statement, on a show of hands every shareholder has one vote and on a poll every shareholder has one vote for each fully paid ordinary share held.

#### Appointment of proxy

A Proxy Form is **enclosed** for your use if required. Please note the following in relation to the appointment of a proxy:

- A shareholder who is entitled to attend and vote at the Meeting may appoint any person as his or her proxy to attend and vote for the shareholder at the Meeting.
- If a shareholder is entitled to cast two or more votes at the Meeting, the shareholder may appoint up to two proxies to attend the Meeting, and may specify the proportion or number of the shareholder's votes that each proxy may exercise. If two proxies are appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the shareholder's votes.
- A proxy need not be a shareholder of the Company.
- If a proxy is given by a body corporate, the Proxy Form must be executed in writing under the common seal of the corporation or otherwise in accordance with section 127 of the *Corporations Act 2001* (Cth) or signed by an attorney.
- If a proxy is given by a natural person, the Proxy Form must be executed under the hand of that person or that person's attorney.
- For a proxy appointment to be effective, the Company must receive the following documents no later than 48 hours before the scheduled time for the Meeting, that is by 1:00pm AEDT on Sunday, 18 November 2018:
  - A validly completed and executed Proxy Form; and
  - If the appointment is signed by the appointor's attorney, the power of attorney under which the appointment was signed or a certified copy of that power of attorney.

# Notice of Annual General Meeting

- The documents will be received by the Company when received at any of the following:

## **By Mail**

The Company's registered office  
Level 1, 357 Collins Street  
Melbourne, Victoria 3000 Australia

## **Computershare Investor Services Pty Limited**

GPO Box 242, Melbourne  
Victoria 3001 Australia

## **By Fax**

Either of the fax numbers below:  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

## **Online**

At [www.investorvote.com.au](http://www.investorvote.com.au)

## **For Intermediary Online subscribers only**

(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## **Corporate Representatives**

A shareholder which is a body corporate may appoint an individual (by certificate executed in accordance with section 127 of the *Corporations Act 2001* (Cth) or in another manner satisfactory to the Chairman of the Meeting) as its representative to exercise all or any of the powers the body corporate may exercise at the Meeting. The appointment may be a standing one.

## **Key Management Personnel and Closely Related Parties**

For the purposes of this Notice of Meeting and the Explanatory Statement:

- The Company's Key Management Personnel (or KMP) includes the employees and officers of the Company and its controlled entities who have authority and responsibility for planning, directing and controlling the activities of the Company and its controlled entities (either directly or indirectly), and includes each of the Company's Directors; and
- A Closely Related Party of a person who is a member of the KMP means:
  - A spouse or child of the person;
  - A child of the person's spouse;
  - A dependent of the person or of the person's spouse;
  - Anyone else who is one of the person's family and may be expected to influence the person, or be influenced by the person, in the person's dealings with the Company; or
  - A company the person controls.

## **Proxy voting by key management personnel**

A shareholder may appoint the Chairman of the Meeting as their proxy by nominating him in the Proxy Form. If a shareholder returns a Proxy Form but does not nominate the identity of their proxy, the Chairman of the Meeting will automatically be their proxy. If a shareholder returns their Proxy Form but their nominated proxy does not attend the Meeting, then their proxy will revert to the Chairman of the Meeting. For resolutions determined on a poll, if a shareholder's nominated proxy is either not recorded as attending the Meeting or does not vote on the resolution in accordance with the shareholder's directions, the Chairman of the Meeting is taken, before voting on the resolution closes, to have been appointed as the shareholder's proxy for the purposes of voting on the resolution.

If a shareholder appoints a member of the Company's Key Management Personnel (which includes each of the Directors and executives of the consolidated group) or a Closely Related Party of a member of the Company's Key Management Personnel as its proxy, that person will not be able to cast the shareholder's votes on Items 2, 5, 6 and 7 unless the shareholder directs them how to vote or, where the Chairman of the Meeting is the shareholder's proxy, the Chairman of the Meeting has been expressly authorised to cast the shareholder's votes as he decides. If a shareholder appoints the Chairman of the Meeting as their proxy or the Chairman of the Meeting is appointed as the shareholder's proxy by default, but the shareholder does not mark a voting box for Items 2, 5, 6 and / or 7 on the Proxy Form, then, by completing and submitting the Proxy Form, the shareholder will be expressly authorising the Chairman of the Meeting to exercise the proxy as he decides even though these resolutions are connected with the remuneration of the Company's Key Management Personnel.

The Chairman of the Meeting intends to vote all available proxies **in favour** of each item of business.

## **Necessary information**

Information relevant to each resolution is set out in the attached Explanatory Statement which forms part of this notice to shareholders.

# Explanatory Statement

## Information specific to each resolution

Shareholder approval of resolutions is required for the purposes of the ASX Listing Rules and the *Corporations Act 2001* (Cth). This Explanatory Statement has been prepared to provide you with material information to enable you to make an informed decision in relation to the business to be conducted at the Annual General Meeting of the Company.

### Ordinary Business

#### Item 1: Financial Statements and Reports

The Financial Report of the Company for the year ended 30 June 2018 and the reports of the Directors and Auditor for the same period will be presented for consideration.

The Chairman will provide a reasonable opportunity for shareholders to raise questions about the operations and performance of the Company generally.

Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company in relation to the preparation of its financial statements and the independence of the Auditor in relation to the conduct of the audit.

There is no vote on this item of business.

#### Item 2: Remuneration Report

As part of the Annual Report provided to shareholders, a Remuneration Report is required to be included which sets out details of the remuneration received by the Directors and KMP of the consolidated group. It also describes Board policy in respect of remuneration and the satisfaction of performance conditions.

The compensation of the Company's KMP is designed to be competitive in the market and help ensure that the Company attracts and retains the talent it requires.

The Company is seeking shareholder approval of the adoption of the Remuneration Report. The outcome of this resolution is advisory only and does not bind the Company or the Board. However, the Board does take the outcome of the vote and discussion at the Annual General Meeting into account in setting remuneration policy for future years. In addition, the "two strikes" rule in the *Corporations Act 2001* (Cth) provides that if at least 25% of the votes cast on the adoption of a Remuneration Report at two consecutive Annual General Meetings are against adopting the Remuneration Report, shareholders will have the opportunity to vote on a spill resolution (being a resolution to hold fresh elections for Directors), which will be passed if 50% or more of eligible votes are cast in favour of that resolution.

#### Voting Exclusion Statement

In accordance with the *Corporations Act 2001* (Cth), the Company will disregard any votes cast in relation to this resolution:

- By or on behalf of the KMP whose remuneration is disclosed in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the vote is cast; and
- As a proxy by a person who is a member of the KMP at the date of the AGM or a Closely Related Party of any such person,

unless the vote is cast as a proxy for a person entitled to vote on the resolution:

- In accordance with a direction on the proxy form; or
- By the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit, even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the consolidated group.

#### Board Recommendation

The Board recommends that you vote **in favour** of this advisory resolution.

The Chairman of the meeting intends to cast all available proxies **in favour** of this item of business.

#### Items 3 and 4: Retirement and Re-election of Directors

Clause 13.6 of the Constitution of the Company (**Constitution**) provides that at each Annual General Meeting, one third of Directors must retire from office and may submit themselves for re-election. The Directors to retire in every year shall be those who have been longest in office since their last election.

In accordance with clause 13.6 of the Constitution, Bernie Campbell retires at this Annual General Meeting and seeks re-election as a Director of the Company.

In addition, clause 13.10 of the Constitution provides that the Directors have the power at any time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director appointed pursuant to clause 13.10 of the Constitution will hold office until the end of the next Annual General Meeting of the Company, when the Director may be re-elected.

In accordance with clause 13.10 of the Constitution, Mark Bayliss, having been appointed by the Directors to fill a casual vacancy on 25 June 2018, retires and, being eligible, offers himself for re-election as a Director of the Company.

The details of each Director who is seeking re-election at the Meeting are described below.

#### Item 3: Re-election of Bernie Campbell

##### Bernie Campbell

*MAppFin*

Bernie Campbell has been Managing Director for the Asset Finance Division of the Pepper Group since October 2014. He was previously Managing Director of Capital Finance Australia Limited (Capital Finance) and a member of the Executive Board for the Lloyds Banking Group businesses in Australia for six years.

Capital Finance was a leading independent specialist financier of motor vehicles, plant and equipment with over 400 operational staff and 150 support staff and receivables of more than \$6.5 billion across consumer, commercial, large corporate, government and multi-national customers. Following the acquisition of Capital Finance by St George Bank in December 2013 Bernie led the St George Asset Finance Division, one of the largest specialist asset finance businesses in Australia with \$18 billion in assets, 500,000 customers and \$8 billion of new lending annually.

# Explanatory Statement

Bernie is currently Chairman of the Australian Finance Industry Association, the national industry association for consumer and asset financiers in Australia and was a Non-Executive Director of publicly listed auction house, Grays E-Commerce Group Limited, until August 2017 when it became a wholly owned subsidiary of Eclix Group Limited.

Bernie is a Master of Applied Finance (Macquarie University) and has completed the Advanced Management Programme at INSEAD.

The other Directors have determined that Bernie is an independent Director.

## Board Recommendation

The Board (Bernie Campbell abstaining) strongly support the re-election of Bernie Campbell and recommend that members vote **in favour** of this resolution.

The Chairman of the meeting intends to cast all available proxies **in favour** of this item of business.

## Item 4: Re-election of Mark Bayliss

### Mark Bayliss

*BSc (Econ), ACA, MAICD*

### Executive Director & Chairman

Mark Bayliss was first appointed to the CSG Limited Board on 27 June 2018, as Executive Director & Chairman.

Most recently, Mark was the Chief Executive Officer of Grays eCommerce Group Limited prior to its acquisition by Eclix Group Limited in August 2017.

Prior to that he was the Chief Executive Officer of Quick Service Restaurant Holdings (QSRH), a national fast food chain of 630 franchised restaurants. Before working for QSRH Mark spent four years as a Partner at Anchorage Capital, a Sydney based private equity fund specialising in the turnaround of underperforming businesses. Mark has also performed roles as Executive Chairman of Burger King (NZ), Chief Financial Officer of Australian Discount Retail and Chief Financial Officer of Fairfax Media Limited.

Mark is a member of the Institute of Chartered Accountants in England & Wales – ACA.

## Board Recommendation

The Board (Mark Bayliss abstaining) strongly supports the re-election of Mark Bayliss and recommends that you vote **in favour** of this resolution.

The Chairman of the meeting intends to cast all available proxies **in favour** of this item of business.

## Special Business

### Item 5: Ratification of previous issue of shares

#### Background

As announced to the market on 25 June 2018, the Company appointed Mark Bayliss as an Executive Director of the Company and as Chairman of the Board with effect from 27 June 2018. In connection with such appointment, Mark was issued with 4,000,000 ordinary shares in the Company on 27 June 2018.

Under Listing Rule 7.1, a company must not (subject to certain exceptions) issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as options), without prior shareholder approval if the number of those securities exceeds 15% of the company's issued capital at the beginning of that 12-month period.

An exception to Listing Rule 7.1 is set out in Listing Rule 7.4, which provides that where the shareholders of a company subsequently approve a previous issue of securities made pursuant to Listing Rule 7.1, those securities will be deemed to have been issued with shareholder approval for the purposes of Listing Rule 7.1 and will not count towards the 15% limit referred to in Listing Rule 7.1.

Accordingly, the resolution in item 5 seeks shareholder approval under Listing Rule 7.4 to ratify the issue and allotment of 4,000,000 shares to Mark Bayliss on 27 June 2018. The Board believes that it is in the best interests of the Company to retain the flexibility to issue up to its full 15% placement capacity without having to obtain prior shareholder approval and without the securities described below counting towards this limit.

# Explanatory Statement

## Specific information required by Listing Rule 7.5

To enable the Company's shareholders to ratify this prior issue and allotment of shares, the Board provides the following information in accordance with Listing Rule 7.5:

Number of shares issued	4,000,000
Recipient of the shares	Mark Bayliss
Issue price per share	Nil
Use (or intended use) of funds raised	Not applicable as the shares were issued for nil consideration
Terms of the shares	The shares rank equally with all other ordinary shares in the Company

However, as announced to the market on 25 June 2018, the shares were placed into escrow upon being issued and will be released as follows:

- 1,333,333 on 31 December 2018;
- 1,333,333 on 31 December 2019; and
- 1,333,334 on 31 December 2020.

In the event that Mark Bayliss resigns or his appointment is terminated for cause before any of the above dates, any of the above shares that have not been released from escrow will be forfeited and may be bought back by the Company for nominal aggregate consideration.

## Voting Exclusion Statement

In accordance with the ASX Listing Rules and the *Corporations Act 2001* (Cth), the Company will disregard any votes cast in favour of this resolution:

- By, or on behalf, of Mark Bayliss or any of his associates; and
- As a proxy by a person who is a member of the KMP at the date of the AGM or a Closely Related Party of any such person,

unless the vote is cast as a proxy for a person entitled to vote on the resolution:

- In accordance with the direction on the proxy form; or
- By the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit, even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the consolidated group.

## Board Recommendation

The Board (Mark Bayliss abstaining) recommends that you vote **in favour of** this resolution.

The Chairman of the meeting intends to cast all available proxies **in favour of** this resolution.

## Item 6: Approval of issues and acquisitions of securities under the CSG Long Term Incentive Plan, CSG Tax Exempt Share Plan (Australia) and CSG Tax Exempt Share Plan (New Zealand)

### Background

As noted above, under Listing Rule 7.1, a company must not (subject to certain exceptions) issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as options), without prior shareholder approval if the number of those securities exceeds 15% of the company's issued capital at the beginning of that 12-month period.

One exception to the shareholder approval requirement is set out in Listing Rule 7.2 (Exception 9), which provides that Listing Rule 7.1 does not apply to an issue of shares made under an employee incentive scheme if, within the three years before the date of issue, shareholders have approved the issue of securities under the scheme as an exception to Listing Rule 7.1.

At the Company's annual general meeting held on 19 November 2015, shareholders approved the issue of securities under the following employee incentive schemes as an exception to Listing Rule 7.1:

- CSG Long Term Incentive Plan;
- CSG Tax Exempt Share Plan (Australia); and
- CSG Tax Exempt Share Plan (New Zealand),

(collectively referred to as the 'Plans'). The benefit under Listing Rule 7.2 (Exception 9) of the abovementioned shareholder approval will expire on 19 November 2018.

The Plans have and should continue to help the Company recruit, reward, retain and motivate its employees and Directors and cultivate a culture of involvement and ownership across the Company. The Board, noting the advice of the Company's Nomination and Remuneration Committee, shall determine the number of securities to be allocated to eligible participants under the Plans.

Given the benefit of the abovementioned shareholder approval expires on 19 November 2018, the Company is again seeking approval from shareholders that, for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, each of the Plans and all issues and acquisitions of securities under any of the Plans be approved and therefore be treated as being exempt from the restrictions set out in Listing Rule 7.1.

# Explanatory Statement

The Company notes that the following securities have been issued under the terms of the Plans since 19 November 2015, being the date that the Plans were most recently approved by shareholders:

- 10,337,481 ordinary shares issued under the CSG Long Term Incentive Plan (including ordinary shares issued upon the vesting of performance rights issued under the CSG Long Term Incentive Plan);
- 582,369 ordinary shares issued under the CSG Tax Exempt Share Plan (Australia);
- 1,300,914 ordinary shares issued under the CSG Tax Exempt Share Plan (New Zealand); and
- 18,791,925 performance rights issued under the CSG Long Term Incentive Plan.

Noting that a number of performance rights were cancelled following their grant, there remains on issue only 5,000,000 performance rights at the date of this notice which, on satisfaction of the performance hurdles attached to these performance rights, would result in the issue of further ordinary shares in the Company.

## Summary of the key terms of the Plans

### 1. CSG Long Term Incentive Plan (LTIP)

Item	Summary
<b>Overview</b>	The LTIP is a long term incentive plan designed to incentivise the Company's (or its subsidiaries') Directors, key executives and other key members of the Company's workforce as determined by the Board from time to time ('Participants').
<b>Participants</b>	The Participants in the LTIP will be as selected by the Board from time to time having considered the recommendations made by the Board's Nomination and Remuneration Committee.  The Board will invite Participants to participate in the LTIP from time to time. The terms of the invitation will include the specific details of the invitation to that Participant, including the number of performance rights to be issued, the applicable vesting conditions to be satisfied, the applicable vesting periods and any other terms that the Board considers appropriate (as those terms are defined in the Rules of the LTIP).
<b>Securities to be issued under the LTIP</b>	Performance rights will be issued under the LTIP. Each performance right represents an option to be issued or transferred one ordinary share in the Company subject to the satisfaction or waiver of the relevant vesting conditions.  The ordinary shares issued or transferred on the exercise of a Participant's performance right will rank equally with other ordinary shares in the Company in all respects, including voting and the entitlement to participate in dividends, bonus issues and other corporate actions. The Participant will not have any such rights in relation to holding a performance right.
<b>Consideration</b>	No consideration is payable by Participants for the grant of the performance rights. Furthermore, there is no consideration to be paid on the exercise of the performance right.
<b>Allocation</b>	The Board will determine from time to time the number of performance rights for which a Participant will be invited to apply and the terms of that invitation.
<b>Vesting Conditions</b>	Performance rights will be subject to the vesting conditions determined by the Board and set out in the Participant's invitation. It is anticipated that the performance rights granted under the LTIP will be subject to vesting conditions commonly used on the ASX to align the outcome of participants with the returns for shareholders and other key financial outcomes for shareholders.
<b>Vesting Periods</b>	The vesting period(s) will be determined at the discretion of the Board, and the details of the vesting period(s) applicable to any particular Participant will be included in that Participant's invitation.
<b>Expiry Date of Performance Rights</b>	Unless the Board determines to extend the expiry date or the relevant performance rights have already lapsed, all unvested performance rights will automatically lapse on the expiry date specified in the relevant offer documentation for those performance rights.
<b>Lapsing</b>	If any vesting conditions applicable to a performance right are not or cannot be satisfied by the end of the relevant vesting period, the performance right will (unless otherwise determined by the Board) automatically lapse and no shares will be issued in respect of that performance right.  A performance right may also lapse where, in the opinion of the Board, a Participant has acted fraudulently, acted dishonestly or willfully breached his or her duties to the Company, or if the Participant becomes insolvent.  On cessation of employment: (a) if a Participant is a 'Bad Leaver' (as defined in the rules of the LTIP), any performance rights will (unless otherwise determined by the Board) automatically lapse; and (b) if a Participant is a 'Good Leaver' (as defined in the rules of the LTIP), the Participant will retain those performance rights that have vested and those performance rights that the Board can determine with certainty at the relevant time would have satisfied the applicable vesting conditions notwithstanding the relevant testing period not having expired.
<b>Disposal restrictions</b>	There will be no special disposal restrictions imposed on the shares acquired from the exercise of performance rights other than restrictions imposed under CSG Limited's Share Trading Policy.
<b>Bonus issues, rights issues and other capital reconstructions</b>	If there is a bonus issue, rights issue or other capital reconstructions, the number of ordinary shares into which each performance right converts may be similarly reconstructed in accordance with the ASX Listing Rules and the rules of the LTIP.
<b>Trust</b>	The Board may use an employee share trust or other mechanism for the purpose of holding and/or delivering any ordinary shares from the exercise of a performance right under the rules of the LTIP.
<b>Change of Control</b>	If a change of control event occurs, which is defined in the rules of the LTIP, the Board may in its discretion determine the manner in which any or all of a Participant's performance rights will be dealt with.
<b>Amendment</b>	The Board has the ability to amend the rules of the LTIP at any time, including with retrospective effect, except that any amendments which affect a Participant's existing entitlements or obligations will require that Participant's consent unless the amendment is primarily necessitated to ensure compliance with the Company's constitution or laws or to correct manifest errors.

# Explanatory Statement

## 2. CSG Tax Exempt Share Plan (Australia) ('AUS Tax Exempt Plan')

Item	Summary
<b>Overview</b>	The AUS Tax Exempt Plan will be a tax exempt plan (subject to any changes in the law and provided the tax exemptions set out below are met) pursuant to which certain Australian employees may be offered up to \$1,000 worth of ordinary shares in the Company on a tax free basis ('Participants') provided certain conditions are satisfied (as set out below).
<b>Participants</b>	<p>The Participants who will be eligible to participate in the AUS Tax Exempt Plan will include at least 75% of permanent employees of the Company and its subsidiaries with at least three years' services.</p> <p>The Board will invite Participants to participate in the AUS Tax Exempt Plan from time to time. The terms of the invitation will include the specific details of the invitation to that Participant, including the number of ordinary shares the Participant will receive or how the Company will determine the number of ordinary shares that the Participant will receive, and any other terms that the Board considers appropriate.</p>
<b>Securities to be issued under the AUS Tax Exempt Plan</b>	Ordinary shares in the Company will be issued under the AUS Tax Exempt Plan. The ordinary shares will rank equally with other ordinary shares in the Company in all respects, including voting and the entitlement to participate in dividends, bonus issues and other corporate actions.
<b>Consideration</b>	No consideration is payable by Participants for the grant of the ordinary shares in the Company.
<b>Allocation</b>	<p>The Board will determine from time to time the number of ordinary shares for which a Participant will be invited to apply.</p> <p>It is currently contemplated that invitations will be made to those Participants determined by the Board from time to time on an annual basis.</p>
<b>Vesting Conditions</b>	There will be no vesting conditions or forfeiture conditions in respect of the AUS Tax Exempt Plan.
<b>Lapsing</b>	The ordinary shares are not subject to vesting conditions or forfeiture conditions, and therefore, cannot lapse.
<b>Disposal restrictions</b>	<p>The Board will have regard to the tax exempt conditions (as set out below) in determining the applicable disposal restrictions.</p> <p>The Board may implement any procedure it deems appropriate to enforce any disposal or other restrictions on the shares including (without limitation):</p> <ul style="list-style-type: none"><li>• Imposing a holding lock on the shares; or</li><li>• Using an employee share trust to hold the shares during the relevant restriction period.</li></ul> <p>The Participants will have full dividend and voting rights during any such restriction period.</p> <p>Where a Participant ceases to be employed by the Company (or a company within the group) prior to the completion of the disposal restriction period, the restrictions will be automatically lifted.</p>
<b>Bonus issues, rights issues and other capital reconstructions</b>	If there is a bonus issue, rights issue or other capital reconstructions, the number of ordinary shares held by a Participant will be subject to the same rights as other ordinary shares on issue in accordance with the ASX Listing Rules and the rules of the AUS Tax Exempt Plan.
<b>Tax exemption conditions</b>	<p>In Australia, there are a number exemption conditions that must be satisfied for the tax exemption to apply in respect of a Participant. Having regard to the conditions as at the date of this Notice of Meeting, the AUS Tax Exempt Plan includes the following terms:</p> <ul style="list-style-type: none"><li>• The AUS Tax Exempt Plan must not have any conditions that could result in any Participant forfeiting their ownership of shares.</li><li>• The AUS Tax Exempt Plan must be operated so that no Participant will be permitted to dispose of their shares before the earlier of the following times:</li><li>• Three years after the date of grant; and</li><li>• The time when the Participant ceases to be employed by the Company (or a company within the group).</li></ul> <p>In addition, the Participant's 'adjusted taxable income' for the relevant income year must not exceed \$180,000.</p>
<b>Trust</b>	The Board may use an employee share trust or other mechanism for the purpose of holding and/or delivering shares under the rules of the AUS Tax Exempt Plan.
<b>Amendment</b>	The Board has the ability to amend the rules of the AUS Tax Exempt Plan at any time, including with retrospective effect, except that any amendments which affect a Participant's existing entitlements or obligations require a Participant's consent unless the amendment is primarily necessitated to ensure compliance with the Company's constitution or laws or to correct manifest errors.

# Explanatory Statement

## 3. CSG Tax Exempt Share Plan (New Zealand) ('NZ Tax Exempt Plan')

Item	Summary
<b>Overview</b>	The NZ Tax Exempt Plan is a tax exempt plan with Inland Revenue Department (New Zealand) approval pursuant to which New Zealand employees may be offered up to A\$1,000 worth of ordinary shares in the Company on a tax free basis ( <b>Participants</b> ).
<b>Participants</b>	<p>All of the permanent New Zealand based employees of the Company (and members of the Company group) may be invited to participate in the NZ Tax Exempt Plan.</p> <p>The Board may invite Participants to participate in the NZ Tax Exempt Plan from time to time. The terms of the invitation will include the specific details of the invitation to that Participant, including the number of ordinary shares the Participant will receive or how the Company will determine the number of ordinary shares that the Participant will receive and any other terms that the Board considers appropriate.</p>
<b>Securities to be issued under the NZ Tax Exempt Plan</b>	<p>Ordinary shares in the Company will be issued under the NZ Tax Exempt Plan. The ordinary shares will rank equally with other ordinary shares in the Company in all respects, including voting and the entitlement to participate in dividends, bonus issues and other corporate actions.</p> <p>The maximum number of ordinary shares that may be issued under this NZ Tax Exempt Plan (when aggregated with all other shares, options and performance rights issued under other employee incentive plans of the Company in the previous 5 years) cannot exceed 5% of the issued share capital of the Company.</p>
<b>Consideration</b>	Nominal consideration will be payable by Participants for the grant of the ordinary shares in the Company. The nominal consideration will not exceed NZ\$2,340 in any three year period.
<b>Allocation</b>	All Participants will be offered shares on an equal basis with every other Participant.
<b>Vesting Conditions</b>	There will be no additional vesting conditions or forfeiture conditions in respect of the Plan other than required by law.
<b>Lapsing</b>	The ordinary shares are not subject to vesting conditions or forfeiture conditions, and therefore, cannot lapse.
<b>Trust</b>	The Board will use the CSG Employee Share Trust (New Zealand), a New Zealand resident employee share trust for the purpose of holding and delivering shares under the rules of the NZ Tax Exempt Plan.
<b>Disposal restrictions</b>	<p>The Board will have regard to the tax exempt conditions (set out below) in determining the applicable disposal restrictions.</p> <p>The shares will be held in the CSG Employee Share Trust (New Zealand) during the restrictive period.</p> <p>The Participants will have full dividend rights during any such restriction period. There are no requirements around who should hold voting rights.</p> <p>Where a Participant ceases to be employed by the Company (or a company within the group) prior to the completion of the disposal restriction period, the trustee must acquire the shares at a price no more than what the employee paid for the shares.</p> <p>The lower of cost or market value may be the price payable (depending on the reasons for employment ceasing).</p>
<b>Bonus issues, rights issues and other capital reconstructions</b>	<p>If there is a bonus issue, rights issue or other capital reconstructions, the number of ordinary shares held by a Participant will be subject to the same rights as other ordinary shares on issue in accordance with the ASX Listing Rules and the rules of the NZ Tax Exempt Plan.</p> <p>As at the date of this notice, the exemption conditions applicable for the CSG Tax Exempt Share Plan (New Zealand) include:</p>
<b>Tax exemption conditions</b>	<p>As at the date of this notice, the exemption conditions applicable for the CSG Tax Exempt Share Plan (New Zealand) include:</p> <ul style="list-style-type: none"> <li>• The shares offered must be fully paid ordinary shares ranking equal in all respects with other ordinary voting shares of the Company;</li> <li>• The cost of shares to employees must not exceed the market value at the date of purchase or subscription;</li> <li>• The shares acquired by an employee under the scheme cannot be for a consideration exceeding \$2,340 in any three year period (the A\$1,000 limit has historically been accepted for other approvals as it is the price paid by the employee (and not the discount received) which is measured with respect to the \$2,340 limit;</li> <li>• Every full time employee must be eligible to participate in the scheme on an equal basis with every other full time employee;</li> <li>• Any minimum period of service which the Company may require before an employee can participate cannot exceed three years;</li> <li>• The shares cannot be controlled by the employee for a period of at least three years and no more than five years from the date of purchase or subscription. During the restrictive period, the shares must be held in trust for the employee. The employee is entitled to dividends paid on the shares during that time, and those dividends must not be capable of being applied to meeting outstanding debts owing to the Company;</li> </ul>
<b>Amendment</b>	Amendment of term rules subsequent to having obtained Inland Revenue Department (New Zealand) approval may jeopardise the tax exempt status of the Plan and therefore will be only undertaken after considering any potential impact on this status.

# Explanatory Statement

## Voting Exclusion Statement

In accordance with the ASX Listing Rules and the *Corporations Act 2001* (Cth), the Company will disregard any votes cast in favour of this resolution:

- By, or on behalf, any Director who is eligible to participate in any Plan, and any of their associates; and
- As a proxy by a person who is a member of the KMP at the date of the AGM or a Closely Related Party of any such person,
- Unless the vote is cast as a proxy for a person entitled to vote on the resolution:
- In accordance with the direction on the proxy form; or
- By the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit, even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the consolidated group.

## Board Recommendation

The Board (Mark Bayliss and Julie-Ann Kerin abstaining) recommends that you vote in favour of this resolution.

The Chairman of the meeting intends to cast all available proxies in favour of this resolution.

## Item 7: Issue of Performance Rights to Julie-Ann Kerin

### Background

The remuneration package of the Managing Director, Julie-Ann Kerin, includes fixed remuneration, short term variable incentives and long term variable incentives. Both short term and long term incentives are performance based.

In 2017 the Board approved the allocation of 19.8 million Performance Rights under the Executive Long Term Incentive Plan (2017 LTIP). The 2017 LTIP was to be allocated to eligible executives over a period of three years, with half of the 2017 LTIP issued to individuals in 2017 (2017 Allocation), and the second half allocated over the remaining two years – two-thirds in 2018 and the remaining third in 2019.

At the 2017 AGM, shareholders approved 25% of the 2017 Allocation to be allocated to Julie-Ann, on the terms set out in the relevant Explanatory Statement. As a result, Julie-Ann was allocated 2,475,000 Performance Rights following the 2017 AGM, being the first half of her total allocation.

A further 1,648,000 Performance Rights were to be allocated this year and the remaining 827,000 Performance Rights to be allocated in 2019, both subject to shareholder approval. A total of 4,950,000 Performance Rights under the 2017 LTIP were to be allocated to Julie-Ann.

Given the Company's current position and growth strategy, the Board has reviewed the terms of the 2017 LTIP and proposed changes that seek to more appropriately balance the incentivisation of management with shareholder returns. The Board believes that this is best achieved by ensuring a common focus of purpose and aligning the 2017 LTIP terms for key executives, with those that were issued to Chairman & Executive Director Mark Bayliss in June 2018 (as outlined in the Company's announcement to the ASX on 25 June 2018).

Reflecting this, the Board has cancelled the 2017 LTIP Performance Rights for all key executives, including those allocated in 2017, and reissued new Performance Rights that vest in three equal instalments when the Company's 20-day Volume Weighted Average Share Price achieves at least 40 cents, 45 cents and 50 cents respectively.

It is now proposed that, subject to shareholder approval, Julie-Ann be granted 4,950,000 Performance Rights under the new LTIP on the specific terms summarised below. On a like-for-like basis, the 4,950,000 Performance Rights continues to represent 25% of the total number of Performance Rights available for distribution to all key executives.

If the relevant performance hurdles are satisfied, the Performance Rights will vest and ordinary shares in the Company will be issued, transferred and/or allocated to key executives, including Julie-Ann.

### ASX Listing Rule requirements

Ms Kerin is an Executive Director of the Company. ASX Listing Rule 10.14 prevents the Company from issuing securities to Directors and their associates under any employee incentive scheme unless approved by the members of the Company.

Additionally, if the resolution referred to in item 6 of this Explanatory Statement is approved by members at the Meeting, the issue of all securities under the LTIP for a period of three years commencing on the date of the Meeting (including the Performance Rights to be issued to Julie-Ann) will be exempt from the Company's 15% placement capacity under Listing Rule 7.1.

### Details of proposed grant of Performance Rights to Julie-Ann Kerin

A summary of the LTIP is set out in item 6 of this Explanatory Statement. A summary of the specific terms of the Performance Rights that are proposed to be granted to Julie-Ann is set out below.

#### Tranches of Performance Rights

The 4,950,000 Performance Rights to be granted to Julie-Ann will be divided into the following tranches:

- 1,650,000 (**Stage 1 Performance Rights**),  
being 1/3rd of the total number of Performance Rights.
- 1,650,000 (**Stage 2 Performance Rights**),  
being 1/3rd of the total number of Performance Rights.
- 1,650,000 (**Stage 3 Performance Rights**),  
being 1/3rd of the total number of Performance Rights.

#### **VWAP Vesting Condition**

The Performance Rights will be subject to a VWAP related vesting condition. VWAP means the volume weighted average price of the Company's ordinary shares over a specified period.

The Stage 1 Performance Rights will vest on the Company achieving a VWAP of at least 40c over a period of 20 consecutive trading days at any time during Julie-Ann's appointment as Managing Director (or such other role as may be agreed between Julie-Ann and the Company), **provided** that if this vesting condition is achieved on or before 30 June 2019 any Shares issued on exercise of vested Stage 1 Performance Rights prior to this date will remain escrowed until 30 June 2019 unless agreed otherwise by the Board in good faith and acting reasonably.

The Stage 2 Performance Rights will vest on the Company achieving a VWAP of at least 45c over a period of 20 consecutive trading days at any time during Julie-Ann's appointment as Managing Director (or such other role as may be agreed between Julie-Ann and the Company), **provided** that if this vesting condition is achieved on or before 30 June 2020 any Shares issued on exercise of vested Stage 2 Performance Rights prior to this date will remain escrowed until 30 June 2020 unless agreed otherwise by the Board in good faith and acting reasonably.

# Explanatory Statement

The Stage 3 Performance Rights will vest on the Company achieving a VWAP of at least 50c over a period of 20 consecutive trading days at any time during Julie-Ann's appointment as Managing Director (or such other role as may be agreed between Julie-Ann and the Company), **provided** that if this vesting condition is achieved on or before 30 June 2021 any Shares issued on exercise of vested Stage 3 Performance Rights prior to this date will remain escrowed until 30 June 2021 unless agreed otherwise by the Board in good faith and acting reasonably.

## **Resignation or termination**

In the event of Julie-Ann's resignation, or termination by CSG for cause, any unvested Performance Rights will lapse.

## **Change of control**

In the event of a change in control event in relation to the Company, all Shares that are the subject of Performance Rights-related escrow (as described above) will be released from escrow and all remaining Performance Rights will vest.

## **Expiry of Performance Rights**

Unless an earlier lapsing date applies, the Performance Rights will automatically expire and lapse if they remain unvested on 30 June 2023.

## **Additional disclosure required by ASX Listing Rules**

In addition to the details set out above, ASX Listing Rule 10.15 requires that the following information be included in this Notice of Meeting to enable members to properly consider this resolution:

<b>The maximum number of securities that may be acquired</b>	Subject to the required member approval being obtained, the maximum number of Performance Rights that may be granted to Julie-Ann is 4,950,000. Each Performance Right entitles Julie-Ann to receive, upon vesting and exercise, one fully paid ordinary share in the Company. Details of the relevant vesting conditions for Julie-Ann are set out above.
<b>The price payable by the holder for the acquisition and exercise of the securities</b>	The Performance Rights will be granted for no consideration. Furthermore, no consideration is payable upon exercise of the Performance Rights.
<b>Securities granted under the LTIP since the last approval</b>	Since the last date the shareholders approved the Plan (being 19 November 2015), the following securities have been granted to Julie-Ann under the LTIP: <ul style="list-style-type: none"><li>• 4,189,000 Performance Rights were granted to Julie-Ann on 15 November 2016, and cancelled on 10 October 2017.</li><li>• 2,475,000 Performance Rights were granted to Julie-Ann on 22 December 2017, and cancelled prior to the date of this Notice of Meeting.</li></ul> Additionally, 5,000,000 Performance Rights were granted to Mark Bayliss on 27 June 2018 under the LTIP. No consideration was paid for the acquisition of the Performance Rights referred to above.
<b>Eligible Participants</b>	Of the Directors of the Company, all of the Executive Directors of the Company are eligible to participate in the LTIP. As at the date of this Notice of Meeting, the Executive Directors of the Company are Julie-Ann Kerin and Mark Bayliss.
<b>Terms of any loan available</b>	No loans will be provided by the Company in connection with the grant of the Performance Rights to Julie-Ann.
<b>Issue Date of Performance Rights</b>	If member approval is obtained, the Company intends to grant the Performance Rights to Julie-Ann promptly following this Annual General Meeting, and in any event within 12 months after the date of this Annual General Meeting.

Details of any securities issued under the Company's employee incentive schemes will be published in each Annual Report of the Company relating to a period in which the securities have been issued and that approval for the issue of securities was obtained under ASX Listing Rule 10.14. Any Directors (or their associates) who become entitled to participate in the Company's employee incentive schemes after the resolution was approved and who were not named in the Notice of Meeting will not participate until approval is obtained under listing rule 10.14 (if such approval is required under the ASX Listing Rules).

# Explanatory Statement

## Item 7: Issue of Performance Rights to Julie-Ann Kerin

(Continued)

### Voting Exclusion

In accordance with the ASX Listing Rules and the *Corporations Act 2001* (Cth), the Company will disregard any votes cast in favour of this resolution:

- By, or on behalf, any Director who is eligible to participate in the LTIP, and any of their associates; and
- As a proxy by a person who is a member of the KMP at the date of the AGM or a Closely Related Party of any such person, unless the vote is cast as a proxy for a person entitled to vote on the resolution;
- In accordance with a direction on the proxy form; or
- By the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit, even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the consolidated group.

### Board Recommendation

The Board (Julie-Ann Kerin abstaining) recommends that you vote **in favour** of this resolution.

The Chairman of the meeting intends to cast all available proxies **in favour** of this item of business.

## Item 8: Approval of Additional 10% Placement Capacity

As noted above, Listing Rule 7.1 provides that a company must not (subject to certain exceptions) issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as options), without prior shareholder approval if the number of those securities exceeds 15% of the company's issued capital at the beginning of that 12-month period.

Listing Rule 7.1A enables 'eligible entities' who have obtained shareholder approval by special resolution at a general meeting to issue equity securities up to an additional 10% of their issued capital over a 12-month period after the general meeting is held (10% Placement Capacity). An 'eligible entity' for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. As at the date of the Notice, the Company is an eligible entity.

The Company is seeking shareholder approval by way of special resolution to have the ability to issue equity securities under the 10% Placement Capacity over a 12-month period from the date of the Meeting, in addition to its 15% annual placement capacity under Listing Rule 7.1.

The exact number of equity securities (if any) that may be issued under the 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2 (refer below). Any equity securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of equity securities of the Company (i.e. ordinary shares).

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval for the 10% Placement Capacity may issue or agree to issue, during the Placement Period (defined below), a number of equity securities calculated in accordance with the following formula:

### (A x D) – E

where:

- A** is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (ii) plus the number of partly paid ordinary shares that became fully paid in the 12 months;
  - (iii) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and or Listing Rule 7.4;
  - (iv) less the number of fully paid ordinary shares cancelled in the 12 months.

**D** is 10%

**E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of holders of ordinary shares under Listing Rule 7.1 or Listing Rule 7.4.

The issue price of equity securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price of equity securities in the same class calculated over the 15 trading days immediately before:

- The date on which the price at which the relevant equity securities are to be issued is agreed; or
- If the equity securities are not issued within 5 trading days of that date, the date on which the equity securities are issued.

### (Minimum Issue Price).

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the meeting at which the approval is obtained and expires on the earlier to occur of:

- The date that is 12 months after the date of the meeting at which the approval is obtained; or
- The date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

### (Placement Period).

#### Information Required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the Company provides the following information in relation to the approval of the 10% Placement Capacity:

- The minimum price at which equity securities will be issued under the 10% Placement Capacity is the Minimum Issue Price (as defined above).
- If this resolution is approved, and the Company issues equity securities under the 10% Placement Capacity, the voting power of existing shareholders who do not receive new equity securities pursuant to the 10% Placement Capacity will be diluted.
- There is also a risk that:
  - The market price for the Company's equity securities may be significantly lower on the date of the issue of equity securities under the 10% Placement Capacity than on the date of the Meeting; and
  - Equity securities may be issued under the 10% Placement Capacity at a price that is at a discount to the market price for the Company's equity securities on the issue date; which may have an effect on the amount of funds raised by the issue of equity securities under the 10% Placement Capacity.

# Explanatory Statement

- The table below shows the potential dilution of existing shareholders on the basis of:
  - The closing price of the Company's ordinary shares as at the close of trading on 8 October 2018 (being \$0.19 per ordinary share); and
  - The number of ordinary shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2.
- The table also shows:
  - Two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue as at 8 October 2018. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro-rata entitlements issue or issues under an employee incentive scheme) or future placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and
  - Two examples of where the price of ordinary shares has decreased by 50% and increased by 50% as against the market price of shares as at 8 October 2018 (being \$0.19 per ordinary share).

## Example of Potential Issues under Listing Rule 7.1A

Number of ordinary shares on issue (Variable A in formula)		Dilution		
		\$0.095 50% decrease in Deemed Price	\$0.19 Deemed Price	\$0.285 50% increase in Deemed Price
<b>Current:</b> <b>439,941,383 shares</b>	10% voting dilution (shares issued)	43,994,138	43,994,138	43,994,138
	Funds raised	\$4,179,443	\$8,358,886	\$12,538,329
<b>50% Increase:</b> <b>659,912,074 shares</b>	10% voting dilution (shares issued)	65,991,207	65,991,207	65,991,207
	Funds raised	\$6,269,165	\$12,538,329	\$18,807,494
<b>100% Increase:</b> <b>879,882,766 shares</b>	10% voting dilution (shares issued)	87,988,277	87,988,277	87,988,277
	Funds raised	\$8,358,886	\$16,717,773	\$25,076,659

**Note:** The figures in the above table are by way of example only and the deemed price per ordinary share should not be interpreted as reflecting the current or true value per ordinary share as at the date of this Meeting.

The table above has been prepared on the assumptions and qualifications set out below and should be reviewed on the following basis:

- The Company issues the maximum securities available under the 10% Placement Capacity.
- The table does not demonstrate an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Capacity based on that shareholder's holding at the date of the Meeting.
- The table only demonstrates the effect of issues of securities under the 10% Placement Capacity. It does not consider placements made under the Company's 15% placement capacity under Listing Rule 7.1.
- The current price of ordinary shares is deemed for the purposes of the table above to be \$0.19, being the closing price of the Company's ordinary shares on ASX as at 8 October 2018 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that securities may be placed under the 10% Placement Capacity.
- The current number of variable "A" ordinary shares is deemed for the purposes of the table above to be 439,941,383, being the number of fully paid ordinary shares on issue as at 8 October 2018.
- The table does not demonstrate the effect of any options or performance rights being issued under Listing Rule 7.1A, it only considers the issue of the fully paid ordinary shares.

- The Company will only issue and allot equity securities under the 10% Placement Capacity during the Placement Period (as defined above). The approval for the issue of equity securities under the 10% Placement Capacity will cease to be valid on expiration of the Placement Period.
- The Company may seek to issue the equity securities for the following purposes:
  - Cash consideration, such as for the funding of specific projects, repayment of debt and /or general working capital requirements from time to time; or
  - Non-cash consideration, such as in connection with payments to vendors of new business opportunities or in lieu of cash payments to consultants and advisors. In such circumstances, the Company will provide a valuation of the non-cash considerations as required by Listing Rule 7.1A.3.
- The Company's allocation policy for the 10% Placement Capacity is dependent on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of any equity securities under the 10% Placement Capacity will be determined on a case-by-case basis having regard to factors including but not limited to the following (and may include existing substantial shareholders and / or new shareholders who are not related parties of the Company or their associates):
  - The methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
  - The effect of the issue of the equity securities on the control of the Company;
  - The financial situation and solvency of the Company; and
  - Advice from corporate, financial and broking advisers (if applicable).
- The Company has not previously obtained the approval of ordinary shareholders for the issue of ordinary shares under Listing Rule 7.1A.

# Explanatory Statement

## Item 7: Issue of Performance Rights to Julie-Ann Kerin

(Continued)

### Special Resolution

This resolution under this Item 8 is a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders must be in favour of the resolution.

### Voting Exclusion

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this resolution by:

- Any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of the Company's ordinary securities); and
- Any associate of any such person,

unless the vote is cast as a proxy for a person entitled to vote on the resolution:

- In accordance with a direction on the proxy form; or
- By the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit.

### Board Recommendation

The Board recommends that you vote **in favour** of this resolution.

The Chairman of the meeting intends to cast all available proxies **in favour** of this item of business.



Business Technology Made Easy

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ABN 64 123 989 631

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## Proxy Form

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### Vote and view the annual report online

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### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 1:00pm (AEDT) on Sunday, 18 November 2018**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of CSG Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of CSG Limited to be held at KPMG, Tower Two, Collins Square, 727 Collins Street, Melbourne on Tuesday, 20 November 2018 at 1:00pm (AEDT) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2, 6 and 7 (except where I/we have indicated a different voting intention below) even though Items 2, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2, 6 and 7 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Bernie Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Re-election of Mark Bayliss	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Ratification of previous share issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Approval of issues and acquisitions of securities under the CSG Long Term Incentive Plan, CSG Tax Exempt Share Plan (Australia) and CSG Tax Exempt Share Plan (New Zealand)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Issue of Performance Rights to Julie-Ann Kerin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /



Business Technology Made Easy

CSG Limited  
ABN 64 123 989 631

CSVRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in CSG Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following:

- > Securityholder Reference Number (SRN);
- > ASX trading code (CSV);
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

**Kerrie-Anne Hutchins**  
Company Secretary