



corporate travel  
management

## Notice of Annual General Meeting

Corporate Travel Management Limited ACN 131 207 611

# Notice of Annual General Meeting

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Notice is given that the Annual General Meeting of Corporate Travel Management Limited ACN 131 207 611 (**Company** or **CTM**) will be held at:

<b>Location</b>	The offices of McCullough Robertson Lawyers at Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000
<b>Date</b>	Wednesday, 29 October 2014
<b>Time</b>	9.00am (Brisbane time)

## Ordinary Business

### Financial statements and reports

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2014.

### Directors' remuneration report

To consider and, if in favour, pass the following resolution in accordance with section 250R(2) of the Corporations Act:

- 1 'That the Remuneration Report be adopted.'

Note: This resolution shall be determined under section 250R(2) of the Corporations Act. Votes must not be cast on this resolution by Key Management Personnel and closely related parties in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

### Re-election and election of Directors

#### Re-election of Ms Claire Gray

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 2 'That Ms Claire Gray, an Executive Director, who retires by rotation in accordance with Listing Rule 14.5 and rule 19.3 of the Constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about the candidate appears in the Explanatory Memorandum.

The Directors (with Ms Claire Gray abstaining) recommend that you vote in favour of this resolution.

### **Re-election of Mr Tony Bellas**

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 3 'That Mr Tony Bellas, a Non-Executive Director and Chairman, who retires by rotation in accordance with Listing Rule 14.5 and rule 19.3 of the Constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about the candidate appears in the Explanatory Memorandum.

The Directors (with Mr Tony Bellas abstaining) recommend that you vote in favour of this resolution.

### **Election of Admiral Robert J. Natter**

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 4 'That Admiral Robert J. Natter, a Non-Executive Director, who retires from a casual vacancy in accordance with Listing Rule 14.4 and rule 19.2(b) of the Constitution, and being eligible, be elected as a Director of the Company.'

Note: Information about the candidate appears in the Explanatory Memorandum.

The Directors (with Admiral Robert J. Natter abstaining) recommend that you vote in favour of this resolution.

## **Special business**

### **Ratification and approval of previous issue of Shares to employees of the Company**

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

- 5 'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of 50,000 shares at an issue price of \$4.60 per share to employees of the Company as detailed in the Explanatory Memorandum.'

The Directors recommend that you vote in favour of this resolution.

### **Ratification and approval of previous issue of shares to USTravel vendors**

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

- 6 'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of 40,614 shares at an issue price of \$6.41 per share to the vendors of USTravel as detailed in the Explanatory Memorandum.'

The Directors recommend that you vote in favour of this resolution.

### **Ratification and approval of previous issue of shares to Avia International Travel vendors**

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

- 7 'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of 305,825 shares at an issue price of \$7.24 per share to vendors of Avia International Travel as detailed in the Explanatory Memorandum.'

The Directors recommend that you vote in favour of this resolution.

#### **Ratification and approval of previous issue of shares to R&A Travel, Inc vendors**

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

- 8 'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of 109,770 shares at an issue price of \$7.24 per share to the vendors of R&A Travel, Inc as detailed in the Explanatory Memorandum.'

The Directors recommend that you vote in favour of this resolution.

#### **Ratification and approval of previous issue of shares to TravelCorp LLC vendors**

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

- 9 'That for the purposes of Listing Rule 7.4 and for all other purposes, approval be given for the previous issue of 170,650 shares at an issue price of \$7.24 per share to the vendors of TravelCorp LLC as detailed in the Explanatory Memorandum.'

The Directors recommend that you vote in favour of this resolution.

#### **Approval of employee incentive schemes**

To consider and, if in favour, to pass the following resolutions as ordinary resolutions:

- 10 'That the issue of securities in the Company under:
- (a) the CTM exempt employee share plan (**EESP**); and
  - (b) the CTM share appreciation rights plan (**SARP**),
- be approved for the purposes of Listing Rule 7.2, exception 9.'

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

#### **Renewal of proportional takeover approval provisions**

To consider and, if in favour, to pass the following resolution as a special resolution:

- 11 'That the proportional takeover approval provisions contained in rule 15 of the Constitution be granted effect for a further three years, effective on the day on which this resolution is passed.'

The Directors recommend that you vote in favour of this resolution.

Dated: 26 September, 2014

By order of the Board



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**Lyndall McCabe**

Company Secretary

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## Voting exclusion statement

### Corporations Act

Resolution 1 - The Company will disregard votes cast by a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member, in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolutions 5, 10(a) and 10(b) – The Company will disregard votes cast by Key Management Personnel or their closely related parties in contravention of section 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

### Listing Rules

In accordance with Listing Rule 14.11, the Company will disregard votes cast:

<b>Resolution 5: Ratification and approval of previous issue of shares to employees of the Company</b>	A person who participated in the issue and their associates
<b>Resolution 6: Ratification and approval of previous issue of Shares to USTravel vendors</b>	A person who participated in the issue and their associates
<b>Resolution 7: Ratification and approval of previous issue of Shares to Avia International Travel vendors</b>	A person who participated in the issue and their associates
<b>Resolution 8: Ratification and approval of previous issue of Shares to R&amp;A Travel, Inc vendors</b>	A person who participated in the issue and their associates
<b>Resolution 9: Ratification and approval of previous issue of Shares to TravelCorp LLC vendors</b>	A person who participated in the issue and their associates
<b>Resolution 10(a): Approval of EESP</b>	Each Director and their associates, except a Director who is not eligible to participate in any employee incentive scheme in relation to the entity.
<b>Resolution 10(b): Approval of SARP</b>	Each Director and their associates, except a Director who is not eligible to participate in any employee incentive scheme in relation to the entity.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## Notes

- (a) Subject to the Corporations Act, including sections 250R and 250BD, a Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) The Company has determined under regulation 7.11.37 Corporations Regulations that for the purpose of voting at the meeting or any adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7.00pm (Brisbane time) on Monday, 27 October 2014.
- (f) If you have any queries on how to cast your votes then call the Company Secretary on 07 3210 3307 during business hours.

## Voting entitlement and admission to meeting

For the purpose of determining entitlement to attend and vote and voting rights at the AGM, Shares shall be taken to be held by persons who are registered as Shareholders as at 7.00pm (Brisbane time) on Monday, 27 October 2014. Transactions registered after that time will be disregarded in determining entitlements to attend and vote.

## Voting by Proxy

If you are a Shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

A proxy need not be a Shareholder of the Company. A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

To be effective, the proxy must be received at the share registry of the Company no later than 9.00am (Brisbane time) on Monday, 27 October 2014 (48 hours before the commencement of the meeting). Proxies must be received before that time by one of the following methods:

Online: Shareholders may lodge their proxy votes online at [www.investorcentre.linkmarketservices.com.au](http://www.investorcentre.linkmarketservices.com.au). To lodge your proxy vote online, you will need your Securityholder Reference

Number (SRN) or Holder Identification Number (HIN) which is shown on the proxy form.

By post: Link Market Services Limited  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

By facsimile: In Australia: (02) 9287 0309  
From outside Australia: +61 2 9287 0309

By delivery: Link Market Services Limited  
1A Homebush Drive  
RHODES NSW 2138

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

### **Voting by Attorney**

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Share Registry no later than 9.00am (Brisbane time) on Monday, 27 October 2014.

### **Corporate representatives**

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative.

# Explanatory Memorandum

Corporate Travel Management Limited ACN 131 207 611

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This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at the offices of McCullough Robertson Lawyers at Level 11 Central Plaza Two, 66 Eagle Street, Brisbane, Queensland 4000 on Wednesday, 29 October 2014 at 9.00am (Brisbane time).

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

## Financial statements and reports

- 1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the Directors, the auditor's report and the financial report be laid before the Annual General Meeting.
- 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports.
- 3 Shareholders will be given reasonable opportunity at the meeting to raise questions and make comments on these reports.
- 4 In addition to asking questions at the meeting, Shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor, PricewaterhouseCoopers, if the question is relevant to:
  - (a) the content of the auditor's report; or
  - (b) the conduct of its audit of the annual financial report to be considered at the meeting.

Note: Under section 250PA(1) of the Corporations Act, a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the AGM is held.

- 5 Written questions for the auditor must be delivered by 5.00pm on Wednesday, 22 October 2014. Please send any written questions for PricewaterhouseCoopers to:

The Company Secretary  
Corporate Travel Management Limited  
52 Charlotte Street  
BRISBANE QLD 4000

## Resolution 1: Remuneration Report

- 6 The remuneration report is contained in the Annual Report, which is available on the CTM website at <http://www.travelctm.com/>.



- 7 The Corporations Act requires that the Remuneration Report be put to the vote of Shareholders for adoption.
- 8 The resolution of Shareholders is advisory only and not binding on the Company. The Board will take the discussion at the meeting into consideration when determining CTM's remuneration policy and appropriately respond to any concerns Shareholders may raise in relation to remuneration issues.
- 9 The remuneration report:
- (a) reports and explains the remuneration arrangements in place for executive Directors, senior management and non-executive Directors;
  - (b) explains Board policies in relation to the nature and value of remuneration paid to non-executive Directors, executives and senior managers within CTM; and
  - (c) discusses the relationship between the Board policies and CTM performance.
- 10 The Chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the remuneration report.

#### **Directors' Recommendation**

- 11 As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, makes no recommendation regarding this resolution.

#### **Re-election and election of Directors**

- 12 Rule 19.3 of the Constitution requires that, at every annual general meeting, one-third of the Directors (excluding the Managing Director) must retire from office and stand for re-election. Where there are four Directors (excluding the Managing Director), at least two must retire from office at each annual general meeting.
- 13 The Directors to retire under rule 19.3 are those who have been in office the longest since being appointed. As between Directors who were elected on the same day, the Directors to retire are (in default of agreement between them) determined by ballot.
- 14 The Board has determined that the following Directors will retire from office under rule 19.3 of the Constitution and stand for re-election:
- (a) Ms Claire Gray; and
  - (b) Mr Tony Bellas.
- 15 Rule 19.2 of the Constitution empowers the Directors to appoint an individual as a Director of the Company, who joins the existing Directors. A Director appointed under rule 19.2 holds office until the conclusion of the next annual general meeting following their appointment.
- 16 On 5 February 2014, Admiral Robert J. Natter was appointed to the Board as an independent Non-Executive Director. Admiral Robert J. Natter, therefore stands for election to office under rule 19.2(b) of the Constitution.

#### **Resolution 2: Re-election of Ms Claire Gray, DIP, TTM, MBA, Executive Director**

- 17 Ms Claire Gray retires from office under rule 19.3 of the Constitution and stands for re-election.

- 18 As a co-founder and major shareholder of the business, Claire Gray brings 28 years' experience to the Company. In 1989, Ms Gray joined Craig Smith to form independent travel management company Travelogic, which merged with CTM in 2008, to create the largest privately owned business travel agency in Australasia at that time, and Macquarie Travel, servicing Macquarie Bank.
- 19 Ms Gray brings over 12 years experience in global travel management having held executive roles with GlobalStar Travel Management and residing overseas. More recently Ms Gray has been instrumental in the impressive development of the CTM offices in the United States and Asia.

#### **Directors' Recommendation**

- 20 The Directors (with Ms Claire Gray abstaining), recommend the re-appointment of Ms Gray to the Board.

#### **Resolution 3: Re-election of Mr Tony Bellas, MBA, BEcon, DipEd, FAIM, MAICD, ASA, Non-Executive Director and Chairman**

- 21 Mr Tony Bellas retires from office under rule 19.3 of the Constitution and stands for re-election.
- 22 Mr Bellas has almost 29 years' experience in both the government and private sectors. Mr Bellas has previously held positions as CEO of Ergon Energy, CS Energy and Seymour Group. Prior to this he was Queensland Under Treasurer, with oversight of a number of Queensland Treasury operations including Fiscal Strategy, Office of Government Owned Corporations and Office of State Revenue.
- 23 In 1999, whilst at Queensland Treasury, Mr Bellas led the teams responsible for the floating of the Queensland TAB and the Queensland Government's interest in the Bank of Queensland. Mr Bellas was also a member of the team that oversaw the merger in 1996 of the Suncorp and QIDC entities into the publicly listed company, Metway Bank, creating the new group Suncorp Metway. His team then managed the staged sell-down of the Queensland Government's holding in Suncorp Metway. Mr Bellas is currently a non-executive director of ERM Power Limited and Shine Corporate Limited. Mr Bellas was also a non-executive director of Watpac Limited from January 2008 to October 2010.
- 24 Special responsibilities:
- (a) Chairman of the Board;
  - (b) Audit, Risk Management and Remuneration Committee member; and
  - (c) Chairman of the Nominations Committee.

#### **Directors' Recommendation**

- 25 The Directors (with Mr Tony Bellas abstaining), recommend the re-appointment of Mr Bellas to the Board.

#### **Resolution 4: Election of Admiral Robert J. Natter, U.S. Navy (Ret), Independent Non-Executive Director**

- 26 Admiral Robert J. Natter retires from office under rule 19.2(b) of the Constitution and stands for election to the Board.
- 27 Admiral Natter has been actively engaged with the Company as a consultant since September 2013, and brings with him a wealth of knowledge and experience in the North American market.

- 28 Retiring from active military service a decade ago, Admiral Natter has since served on a number of USA boards and advisory panels in both the corporate and government fields.
- 29 Currently the non-executive chairman of G4S Government Solutions Inc. and a non-executive director of BAE Systems Inc., Admiral Natter is also Chairman of the U.S. Naval Academy Alumni Association as well as non-executive director of the National U.S. Navy SEAL Museum.
- 30 In his navy career, Admiral Natter served as the Commander in Chief of the U.S. Atlantic Fleet and as the First Commander of U.S. Fleet Forces Command, overseeing all Continental U.S. Navy bases, facilities and training operations.
- 31 Admiral Natter's high ethical standards as well as his passion and expertise are closely aligned with CTM's values, business operations and growth aspirations. Importantly, Admiral Natter also brings a deep understanding of the corporate and government sectors at both national and regional levels in the US.

**Directors' Recommendation**

- 32 The Directors (with Admiral Robert J. Natter abstaining), recommend the re-appointment of Admiral Natter to the Board.

## Special business

### **Resolution 5, 6 ,7, 8 and 9: Ratification and approval of previous allotment and issue of Shares**

- 33 The purpose of resolutions 5, 6, 7, 8 and 9 are for Shareholders to approve, pursuant to Listing Rule 7.4, previous allotments and share issues, which will otherwise count toward the 15% limit under Listing Rule 7.1.
- 34 Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.
- 35 The aggregate allotments and issue of securities detailed in the resolutions below will not have exceeded the 15% threshold. However, Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.
- 36 The resolutions propose the approval of the previous allotments and issue of securities for the purpose of satisfying the requirements of Listing Rule 7.4.

### **Resolution 5: Ratification and approval of previous allotment and issue of Shares to employees of the Company**

- 37 In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

<b>Date of issue</b>	31 January 2014
<b>Number of Shares issued</b>	50,000 fully paid ordinary shares
<b>Issue price</b>	\$4.60 per share

<b>Terms of issue</b>	Subject to voluntary escrow for a period of 36 months from the date of issue, the shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares quoted on ASX
<b>Persons to whom Shares were issued</b>	Employees of the Company
<b>Intended use of funds</b>	Further strengthen the balance sheet and position the Company for future acquisition activity and continued growth

#### **Directors' recommendation**

38 The Directors recommend that you vote in favour of this resolution.

#### **Resolution 6: Ratification and approval of previous allotment and issue of Shares to USTravel vendors**

39 In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

<b>Date of issue</b>	2 July 2014
<b>Number of Shares issued</b>	40,614 fully paid ordinary shares
<b>Issue price</b>	The deemed issue price was \$6.41 per share
<b>Terms of issue</b>	The shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares quoted on ASX
<b>Persons to whom Shares were issued</b>	Vendors of USTravel
<b>Intended use of funds</b>	Not applicable - the Shares were issued as consideration for the acquisition of USTravel (the terms of which were set out in the Share Sale Agreement and referenced in the ASX announcement dated 12 June 2014)

#### **Directors' recommendation**

40 The Directors recommend that you vote in favour of this resolution.

#### **Resolution 7: Ratification and approval of previous allotment and issue of Shares to Avia International Travel vendors**

41 In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

<b>Date of issue</b>	2 September 2014
<b>Number of Shares issued</b>	305,825 fully paid ordinary shares
<b>Issue price</b>	The deemed issue price was \$7.24 per share

<b>Terms of issue</b>	The shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares quoted on ASX
<b>Persons to whom Shares were issued</b>	Vendors of Avia International Travel
<b>Intended use of funds</b>	Not applicable - the Shares were issued as consideration for the acquisition of Avia International Travel (the terms of which were set out in the Share Sale Agreement and referenced in the ASX announcement dated 6 August 2014)

#### **Directors' recommendation**

42 The Directors recommend that you vote in favour of this resolution.

#### **Resolution 8: Ratification and approval of previous allotment and issue of Shares to R&A Travel, Inc vendors**

43 In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

<b>Date of issue</b>	2 September 2014
<b>Number of Shares issued</b>	109,770 fully paid ordinary shares
<b>Issue price</b>	The deemed issue price was \$7.24 per share
<b>Terms of issue</b>	The shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares quoted on ASX.
<b>Persons to whom Shares were issued</b>	Vendors of R&A Travel, Inc
<b>Intended use of funds</b>	Not applicable - the Shares were issued as consideration for the acquisition of R&A Travel, Inc (the terms of which were set out in the Share Sale Agreement and referenced in the ASX announcement dated 2 May 2012)

#### **Directors' recommendation**

44 The Directors recommend that you vote in favour of this resolution.

#### **Resolution 9: Ratification and approval of previous allotment and issue of Shares to TravelCorp LLC vendors**

45 In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

<b>Date of issue</b>	2 September 2014
<b>Number of Shares issued</b>	170,650 fully paid ordinary shares

<b>Issue price</b>	The deemed issue price was \$7.24 per share
<b>Terms of issue</b>	The shares were issued as fully paid ordinary shares, ranking equally with all other ordinary shares and having identical rights to existing ordinary shares quoted on ASX.
<b>Persons to whom Shares were issued</b>	Vendors of TravelCorp LLC
<b>Intended use of funds</b>	Not applicable - the Shares were issued as consideration for the acquisition of TravelCorp LLC (the terms of which were set out in the Share Sale Agreement and referenced in the ASX announcement dated 17 April 2013)

### Directors' recommendation

46 The Directors recommend that you vote in favour of this resolution.

### Resolutions 10(a) and 10(b): Approval of employee incentive schemes

47 Listing Rule 7.1 prohibits the Company issuing equity securities which, in aggregate, exceed 15% of the fully paid ordinary share capital of the Company in any 12 month period.

48 Listing Rule 7.2 exception 9 provides that Listing Rule 7.1 does not apply to the issue of securities by the Company under an employee incentive scheme if the scheme was established before the entity listed and a summary of the terms were included in the prospectus, or if the scheme has been approved by shareholders within three years from the date of issue of the relevant securities.

### Resolution 10(a): Approval of EESP

49 A summary of the CTM exempt employee share plan (**EESP**) was provided in the Company's prospectus. Since this time CTM has issued 59,090 Shares under the EESP. As coverage under the prospectus ceased in November 2013, renewal of shareholder approval is required if the Company wishes to exclude issues of securities under the EESP for the purposes of Listing Rule 7.1.

50 A summary of the key terms of the EESP is provided below:

<b>Eligibility criteria</b>	The EESP may be offered to certain eligible employees of the Company. The EESP is designed to comply with the requirements for the \$1,000 'tax exempt' treatment under section 83A-35 of the Income Tax Assessment Act 1997 (Cth), as amended from time to time. Persons who may be eligible to participate in the EESP are full-time or permanent part-time employees, with one or more companies in the CTM Group.
<b>Grant of Shares</b>	Shares may be offered to eligible employees as the Directors determine. Offers under the EESP must be made by the Company on a 'non-discriminatory' basis consistent with the tax requirements (and other applicable requirements) to at least 75% of Australian resident permanent employees with three years service with the essential features of the EESP being offered to all such employees on the same terms. The offer must be in writing and specify, amongst other things, the date of the invitation, the number of Shares available to the employee, the price of the Shares, the number of Shares for which the eligible

	employees may apply or be granted and any conditions attaching to the Shares.
<b>Quotation</b>	The Company must apply for official quotation of any Shares issued under the EESP.
<b>Interest restriction</b>	No eligible employee may continue to participate in the EESP if, immediately after the acquisition of the Shares, the eligible employee would be in a position to cast, or control the casting of, more than 5% of the maximum number of votes that might be cast at a general meeting of the Company.
<b>Disposal</b>	Shares may be subject to conditions specified by the Board or contained in the EESP rules, including a restriction on disposal of Shares issued under the EESP rules for a period of the earlier of three years after their issue, termination or cessation of employment.
<b>Rights of participants</b>	Shares will rank equally with other ordinary shares. The Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue.  Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the Shares will be correspondingly changed to the extent necessary to comply with the Listing Rules.
<b>Administration</b>	The EESP will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the EESP.
<b>Termination and amendment</b>	The EESP may be amended at any time by the Board (subject to the Listing Rules). At the time of issuing the Prospectus, the Company had reserved the equivalent of up to 5% of its share capital for future allocation under the EESP.

### Directors' recommendation

- 51 The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

### Resolution 10(b): Approval of SARP

- 52 The Board believes that the grant of rights under the CTM share appreciation rights plan (**SARP**) serves a number of positive purposes including acting as a retention tool for senior employees of the Company and focusing on Shareholder value generation.
- 53 CTM is seeking approval for the first time from Shareholders that the issue of Shares under the SARP be exempt from its 15% capacity under Listing Rule 7.1, in accordance with Listing Rule 7.2 exception 9. A summary of the key terms of the SARP is provided below.

<b>Eligibility criteria</b>	Employees (whether full-time or part-time) and salaried directors of any member of the CTM Group are entitled to participate in the SARP.
<b>Share Appreciation Rights</b>	A share appreciation right is a right to receive an award from the Company which may be satisfied by the issue and/or transfer of Shares (equity settlement), cash payment (cash settlement), or a combination of

	<p>both, subject to the satisfaction and/or waiver of vesting conditions and/or performance hurdles and/or other conditions (<b>Share Appreciation Right</b>).</p> <p>The award is calculated by reference to an increase in the price of a Share from a base price determined by the Board prior to the grant of the Share Appreciation Right and the volume-weighted average price per Share traded on the ASX over the 30 days immediately preceding the time that the performance hurdles and/or other conditions are satisfied and/or waived. Share Appreciation Rights do not entitle the holder to notice of, or to vote or attend at, Shareholders' meetings, or to receive any dividends declared by the Company.</p>
<b>Purpose</b>	<p>The purpose of the SARP is to:</p> <ul style="list-style-type: none"> <li>(a) assist in the reward, retention and motivation of eligible employees;</li> <li>(b) link the reward of eligible employees to Shareholder value creation; and</li> <li>(c) align the interests of eligible employees with Shareholders by providing an opportunity for eligible employees to receive an equity interest in the Company in the form of Share Appreciation Rights.</li> </ul>
<b>Invitation</b>	<p>The Board may from time to time determine that an eligible employee may participate in the SARP by issuing a written invitation, inviting the eligible employee to apply for the grant of a specified number of Share Appreciation Rights. The invitation may be made on the terms determined by the Board, including as to:</p> <ul style="list-style-type: none"> <li>(a) the number of Share Appreciation Rights for which the eligible employee may apply;</li> <li>(b) grant date;</li> <li>(c) the amount payable (if any) for the grant of the Share Appreciation Right or how such amount is calculated;</li> <li>(d) the vesting conditions and/or performance hurdles and/or other conditions (if any);</li> <li>(e) whether the settlement of Share Appreciation Rights will be by delivery of Shares, cash or a combination of both to the participant; and</li> <li>(f) any disposal restrictions attaching to the Shares issued in satisfaction of vested Share Appreciation Rights.</li> </ul>
<b>Quotation</b>	<p>The Company will not apply for official quotation of Share Appreciation Rights on the ASX, unless the Board determines otherwise.</p>
<b>Vesting</b>	<p>Vesting of Share Appreciation Rights is subject to any vesting conditions and/or performance hurdles and/or any other conditions determined by the Board and the issue of a vesting notice by the Company.</p>
<b>Settlement</b>	<p>Vested Share Appreciation Rights may be settled by equity settlement, cash settlement or a combination of equity settlement and cash settlement, as provided in the invitation or determined by the Board.</p>
<b>Shares</b>	<p>All Shares issued or transferred to a participant upon settlement will rank equally in all respects with other Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference</p>



	to a record date prior to the date of the allotment or transfer of the Shares.
<b>Transferability and restrictions</b>	Subject to the Board determining otherwise, or by operation of the law, Share Appreciation Rights are not generally transferrable. A participant is also prohibited from entering into an arrangement for the purpose of hedging its economic exposure to a Share Appreciation Right which has been granted.
<b>Forfeiture</b>	<p>Unless the Board determines otherwise unvested Share Appreciation Rights will be forfeited on the earlier of:</p> <ul style="list-style-type: none"> <li>(a) a participant ceasing to be an eligible employee;</li> <li>(b) the Board determining that the participant has acted fraudulently or dishonestly, or wilfully breached his or her duties;</li> <li>(c) the Board determining that performance hurdles and/or vesting conditions and/or other conditions have not been met or cannot be met;</li> <li>(d) an insolvency event occurring in relation to a participant; and</li> <li>(e) the Share Appreciation Right expiring in accordance with the expiry date.</li> </ul> <p>Forfeited Share Appreciation Rights will immediately lapse.</p>
<b>Change of control</b>	<p>If a change of control event occurs, which includes any of the following events:</p> <ul style="list-style-type: none"> <li>(a) a change in Control of the Company;</li> <li>(b) approval by Shareholders of a compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company of its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either along or together with its associates) owning more than 50 percent of the issued capital in the Company;</li> <li>(c) where a person becomes the legal or beneficial owner of, or has a relevant interest in more than 50 percent of the issued capital of the Company; and</li> <li>(d) where a takeover bid is made to acquire more than 50 percent of the issued capital of the Company (or such lesser number of Shares that when combined with the Shares that the bidder (together with its associates) already owns will amount to more than 50 percent of the issued capital in the Company) and the takeover bid becomes unconditional and the bidder (together with its associates) has a relevant interest in more than 50 percent of the issued capital in the Company,</li> </ul> <p>the Board may determine the manner in which the Share Appreciation Rights will be dealt with, including, without limitation, in a manner that allows the participant to participate in a benefit arising from or in connection with the change of control event.</p>
<b>Adjustments</b>	Subject to the Listing Rules and applicable law, if the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital, the Board may in its discretion make adjustments to a participant's Share Appreciation Rights on any basis it

	sees fit to minimise any advantage or disadvantage accruing to the participant as a result of such corporate actions or alterations to capital.
<b>Trust</b>	The Board may use an employee share trust or other mechanism for the purpose of holding Shares before or after the exercise of a Share Appreciation Right or delivering any Shares on exercise of a Share Appreciation Right under the SARP on such terms and conditions as determined by the Board.
<b>SARP limit</b>	<p>The Board must not make an invitation under the SARP, grant any Share Appreciation Rights or issue any Shares on the exercise of Share Appreciation Right, if the sum of:</p> <ul style="list-style-type: none"> <li>(a) the maximum number of Shares which would be issued if all outstanding Share Appreciation Rights (including any Share Appreciation Rights which may be granted upon the acceptance of any outstanding offers) were exercised; and</li> <li>(b) the number of Shares issued during the previous five years under the SARP or any other employee share scheme extended to eligible employees,</li> </ul> <p>but excluding any Share Appreciation Rights granted or Shares issued by way of or a result of certain excluded offers under section 708 of the Corporations Act, would exceed five percent of the total number of Shares on issue at the time.</p>
<b>Administration of the plan</b>	The SARP will be administered by the Board. Any powers or discretions conferred on the Board by the SARP rules may be exercised by the Board in its absolute discretion. The Board may delegate its powers or discretions to other person on the terms as the Board sees fit.
<b>Amendments to SARP</b>	<p>Subject to the Listing Rules, the Board may at any time amend the SARP and determine that any such amendments be given retrospective effect. However, no such amendment may be made if the amendment materially reduces the rights of any holder of Share Appreciation Rights issued to them prior to the date of the amendment, other than an amendment that is introduced primarily:</p> <ul style="list-style-type: none"> <li>(a) for the purpose of complying with or conforming to present or future legislation governing or regulating the SARP or like plans;</li> <li>(b) to correct any manifest error or mistake;</li> <li>(c) to allow the implementation of a trust arrangement in relation to the holding of Shares issued under the SARP;</li> <li>(d) for the purpose of complying with applicable laws; and/or</li> <li>(e) to take into consideration possible adverse taxation implications in respect of the SARP including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation,</li> </ul> <p>unless otherwise agreed to in writing by all holders of Share Appreciation Rights.</p>

## **Renewal of proportional takeover bid provisions**

### **Resolution 11: Renewal of proportional takeover bid provisions**

- 54 Rule 15 of the Constitution includes proportional takeover approval provisions which enable the Company to refuse to register securities acquired under a proportional takeover bid unless a resolution is passed by shareholders in general meeting approving the offer. Under the Corporations Act, proportional takeover provisions expire after three years from adoption or renewal and may then be renewed. The provisions contained in the Constitution therefore ceased to apply on 6 September 2013.
- 55 The Company is seeking shareholder approval to renew these provisions under the Corporations Act. The proportional takeover bid provisions are identical to those adopted by Shareholders on 6 September 2010. The Corporations Act requires the Company to provide Shareholders with an explanation of the proportional takeover approval provisions as set out below.

### **What is a proportional takeover bid**

- 56 A proportional takeover bid is a takeover offer sent to Shareholders but only for a specified portion of each shareholder's securities. Accordingly, if a Shareholder accepts in full the offer under a proportional takeover bid, it will dispose of the specified portion of its securities in the Company and retain the balance of the securities.

### **Effect of renewal**

- 57 If renewed, under existing rule 15 and if a proportional takeover offer is made to Shareholders, the Board is required to convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover. That meeting must be held at least 15 days before the offer under the proportional takeover bid closes.
- 58 The resolution is taken to have been passed if a majority of securities voted at the meeting, excluding the securities of the bidder and its associates, vote in favour of the resolution. If no resolution is voted on at least 15 days before the close of the offer, the resolution is deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of securities resulting from accepting the offer are registered provided they otherwise comply with the Corporations Act, the Listing Rules, the ASIC Operating Rules and the Constitution. If the resolution is rejected then, under the Corporations Act, the offer is deemed to be withdrawn.

### **Reasons for proposing the resolution**

- 59 The Directors consider that Shareholders should have the opportunity to renew rule 15 in the Constitution. Without rule 15 a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their securities to the bidder. Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their securities whilst leaving themselves as part of a minority interest in the Company.
- 60 Without rule 15, if there was a proportional takeover bid and Shareholders considered that control of the Company was likely to pass, Shareholders would be placed under pressure to accept the offer even if they did not want control of the Company to pass to the bidder. Renewing rule 15 of the Constitution will make this situation less likely by permitting Shareholders to decide whether a proportional takeover bid should be permitted to proceed.

### **No knowledge of present acquisition proposals**

- 61 As at the date of this notice, no Director is aware of a proposal by any person to acquire or increase the extent of a substantial interest in the Company.

### **Potential advantages and disadvantages**

- 62 The renewal of rule 15 will enable the Directors to formally ascertain the views of Shareholders about a proportional takeover bid. Without these provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that renewal of rule 15 has no potential advantages or potential disadvantages for them, as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.
- 63 The Directors consider that renewing rule 15 benefits all Shareholders in that they will have an opportunity to consider a proportional takeover bid and then attend or be represented by proxy at a meeting of Shareholders called specifically to vote on the proposal. Accordingly, Shareholders are able to prevent a proportional takeover bid proceeding if there is sufficient support for the proposition that control of the Company should not be permitted to pass under the proportional takeover bid. Furthermore, knowing the view of Shareholders assists each individual shareholder to assess the likely outcome of the proportional takeover bid and whether to accept or reject that bid.
- 64 As to the possible disadvantages to Shareholders renewing rule 15, it may be argued that the proposal makes a proportional takeover bid more difficult and that proportional takeover bids will therefore be discouraged. This may reduce the opportunities which Shareholders may have to sell all or some of their securities at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price. Rule 15 may also be considered an additional restriction on the ability of individual Shareholders to deal freely on their securities.
- 65 The Directors consider that there are no other advantages and disadvantages for Directors and Shareholders which arose during the period during which the proportional takeover approval provisions have been in effect, other than those discussed in this section.
- 66 On balance, the Directors consider that the possible advantages outweigh the possible disadvantages so that the renewal of rule 15 is in the interest of Shareholders.

### **Directors' recommendation**

- 67 The Directors recommend you vote in favour this resolution.

# Glossary

## Corporate Travel Management Limited ACN 131 207 611

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<b>Annual General Meeting or AGM</b>	means the Company's annual general meeting the subject of this Notice of Meeting.
<b>Annual Report</b>	means the 2014 Annual Report of the Company.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ABN 98 008 624 691 or the securities market which it operates, as the context requires.
<b>Board</b>	means the board of directors of the Company.
<b>Company or CTM</b>	means Corporate Travel Management Limited ACN 131 207 611.
<b>Constitution</b>	means the constitution of the Company from time to time.
<b>Control</b>	has the meaning set out in section 50AA of the Corporations Act.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	means the <i>Corporations Regulations 2001</i> (Cth).
<b>CTM Group</b>	means the Company and any of its subsidiaries.
<b>Directors</b>	means the directors of the Company.
<b>EESP</b>	means the CTM exempt employee share plan.
<b>Explanatory Memorandum</b>	means the explanatory memorandum attached to the Notice of Meeting.
<b>Key Management Personnel</b>	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice of Meeting</b>	means this notice of meeting and includes the Explanatory Memorandum.
<b>Remuneration Report</b>	means the section of the Directors' report for the 2014 financial year that is included under section 300A(1) Corporations Act.
<b>SARP</b>	means the CTM share appreciation rights plan.
<b>Share Appreciation Right</b>	means a right granted under the SARP.
<b>Shares</b>	means the existing fully paid ordinary shares in the Company.
<b>Shareholder</b>	means a person who is the registered holder of Shares.