

29 November 2016

Manager Companies  
Market Announcements Office  
Australian Stock Exchange Limited  
Level 4, Stock Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**AGM Address to Shareholders**

Please find following the CPT Global Limited Annual General Meeting Address to Shareholders for 2016 that will be delivered at the Company's AGM in Melbourne this morning.

Yours sincerely



Grant Sincock  
Company Secretary

For personal use only

**Chairman and CEO Australia & Asia's proceedings of Annual General Meeting for the Shareholders to be held at the office of Computershare, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria on Tuesday November 29 2016 at 10:30am AEDT.**

**1. Introduction by Non-Executive Chairman**

Good morning ladies and gentlemen, it is my pleasure to welcome you to the Annual General Meeting of CPT Global Limited. My name is Fred Grimwade and I am the Chairman of CPT Global.

**2. Declaration of quorum and opening of meeting**

The quorum for an Annual General Meeting is two members present in person or by proxy attorney or representative, and as the requisite quorum is present I declare the meeting open.

I would like to take the Notice of Meeting as having been read.

**3. Introduction of Directors, Company Secretary and representative of the Auditors**

I would now like to introduce you to the other members of your Board:

Mr. Gerry Tuddenham, Managing Director

Mr Alan Baxter, Non-Executive Director.

Mr David Lynch, Executive Director

Also present is Mr Grant Sincock, Company Secretary and Mrs. Hayley Underwood, a representative of ShineWing Australia, the Auditor of the Company.

**4. Procedural matters**

Firstly, there are several procedural matters I would like to raise prior to addressing the business aspects of the meeting:

1. Shareholders attending the meeting and eligible to vote have been issued with a **Blue** admission card. On a vote by show of hands, shareholders should raise their **Blue** cards.
2. Proxy Holders attending the meeting and eligible to vote have been issued with a **Blue** admission card. On a vote by show of hands, proxyholders should raise their **Blue** cards.
3. If you are the holder of a **Blue** Card and wish to ask a Question, please stand and provide your name.
4. Should a poll be required, Computershare Registry Services, the Company's Share Registry will act as returning officer and Mrs. Hayley Underwood shall be scrutineer and communicate the result to me.

For personal use only

I now turn to the business set out in the Notice of Meeting. There are 9 business items to cover;

- Items 1 and 2 will not require resolutions but shareholders will have an opportunity to ask questions and make comments on these items.
- All other Items will require resolutions.

Each business item will be taken in turn with an opportunity given for questions from the floor. I request that each shareholder gives their name when asking questions.

## **5. CEO Australia & Asia's address to shareholders**

The first item of business is the delivery of the CEO Australia and Asia Address on the 2016 Financial Results including an update on the current year. I will now hand over to David Lynch to present his address.

### **5.1 Operating and Financial Review**

The financial results for the 2016 financial year were disappointing. Revenue was \$28.8m, a 2% increase on 2015, and EBITDA was a loss of \$2.6m, a \$2.5m improvement on 2015.

The loss in 2016 saw net tangible asset reduced to \$1.5m, however, cash at bank increased \$2.5m to \$3.3m at 30 June 2016. No dividends were declared for 2016. The increase in cash at 30 June 2016 is due to the receipt of \$1.3m cash from a US risk/reward project in mid-June and the receipt of a \$0.9m tax refund in Canada in September 2015 which has been held on deposit to pay Canadian taxes owing of \$0.9m.

During 2016 we reviewed our strategy, our structure, our culture and our operations and begun the process of setting a clear direction for the next 3-5 years. It was the right time to revisit our corporate charter to ensure we capitalise on where our clients and the market are heading: towards cloud, data analytics, mobility and artificial intelligence.

Whilst we continue to refresh our roadmap and business strategy, we began to see the impact of the changes we put in place to stabilise and reinvigorate the business and drive performance reflected in the financial results of the Company in the second half of the 2016 financial year.

We were pleased that we could report that CPT returned to profitability for the 6 month period to 30 June 2016 with an EBITDA before one-off items of \$340k (before impairment of goodwill, payroll tax refund and write down and provision for WIP recognised as revenue in prior periods).

The operating environment across all our Regions and industries continued to be challenging with mixed results.

Banking and Finance was the key industry across all Regions although Australia was the only Regions that grew revenue in this sector and the completion of our contract with Amex in North America saw a significant decline in revenue in the Region. The Information, Technology and Communications industry in North America replaced Banking & Finance as the largest industry with revenue growing 12%. Demand from Government increased substantially in Australia and CPT capitalised on this demand to grow revenue 83%. This was one of 2016's highlights.

Conditions in Europe were difficult throughout the financial year. Economic and political conditions in the EU provided challenges, particularly in the Banking and Finance industry where we generate most of our revenue in Europe, however a review of our European operations resulted in changes being made to the personnel and structure of our operations. By 30 June 2016 the European operations were stabilising and costs were brought under control.

For personal use only

The first half of FY16 was a challenge in North America. as the start dates of 2 risk/reward contracts were delayed. Engagements were delayed in the first half but were undertaken in the second half of FY16 and into FY17. This was the main reason for revenue in North America being higher in the second half than in the first half.

Overall, revenue decreased by 17% in North America in FY16, although this wasn't reflected across the whole region. Revenue in Canada grew 12% in FY16. However, the strong performance in Canada was not sufficient to cover the reduction in revenue in the USA. North America was hit hard by AMEX decision to bring the services CPT had been providing for 10 years in-house.

Our challenge in Europe and North America is smoothing revenue streams, as the timing of large risk/reward contracts has a significant impact on revenue levels.

Revenue in Australia grew by 22% in the financial year with 57% of the revenue earned in the second half. Revenue across all our industry sectors grew, particularly Government. The growth in the Australian business was profitable and operational performance strengthened throughout the financial year.

Margin pressures will continue as our clients focus on their costs. This is particularly evident in the Banking & Finance industry. Our strategy to address margin pressure includes increasing volume, cross-selling value add services and reducing our cost of sales.

## 5.2 Strategy and operational focus

It is CPT's policy not to provide guidance on financial results.

We are pleased with the direction the business is heading and the growth we started to see in Australia and the US in the second half of FY16 has been maintained. Our half-year results will be ahead of our first half performance in the 2016 financial year. Our full year financial results for the 2017 financial year will depend upon the demand for IT services in the markets in which we operate. The demand for IT services will depend upon global and regional economic and political conditions and the performance of our clients.

While the strategic, structural, cultural and operational changes we are implementing are starting to show results, we still have much work to do to ensure we deliver a consistent return to our shareholders. We are optimistic about FY17, however, we are also cognisant of the challenges that still lie ahead.

We have 7 key pillars of strategic focus for this year:

1. Accelerate growth & focus on strategic accounts;
2. Develop & commercialise digital services capabilities;
3. Make CPT Global a great place to work;
4. Get fit for growth;
5. Enhance the CPT brand in the marketplace;
6. Reduce operating cost and margin leakage; and
7. Create value from alliance partnerships.

Our clients are operating in an environment in which innovation, disruption, digital transformation, speed to market, quality assurance and cost control are driving strategic and operational decision making. CPT's focus is on meeting the needs of our clients in this operating environment.

Our vision at CPT is to be an innovative digital and IT performance solution leader, delivering consistent growth in revenues, dividends, and share price, derived from 50 global enterprise clients, scalable new revenue streams and partner alliances that capitalise on opportunities from the shift to cloud, mobile and data driven investments.

Our vision statement encompasses the changes in direction we are making in line with how digital transformation is now dominating technology services demand in the market.

The values that define our culture and people are: Innovative, Trusted, Accountable, Flexible and Expert.

To enhance our offering to our clients we are leveraging our existing partnerships and investigating opportunities to partner with world class software vendors and service providers. We are working with our partners to provide CPT with enhanced sales capacity and enhanced reach to new clients and expanding our presence in existing clients.

I am focussed on running the Australian and Asian regions. The Australian business is expected to continue to grow, particularly in Banking and Finance and Government. The growth in revenue in these sectors in Australia in FY16 is continuing into FY17 and our pipeline is as strong as we have seen since before the GFC.

In Asia, we will continue to use our partner model in the short term to identify and convert opportunities. The pipeline in Asia is building and projects will continue to be undertaken on more of a reactive basis in the short term

Gerry Tuddenham is focussing on the international business, in particular stabilising the European business and closing the significant opportunities in North America. While mainframe has been the backbone of the international business, we are continuing to grow our services into midrange, testing and digital partner alliances.

Our priority in North America is to convert a strong pipeline to revenue and convert short term risk/reward contracts to long term recurrent revenue to replace the Amex contract.

There is still economic and political uncertainty in Europe. Whilst we haven't seen any indications in the banking sector in general that suggest spending on IT services is being cut, we are actively monitoring what is a fluid and dynamic situation. The cost cutting and structural changes we have made in Europe mean we are a leaner and nimbler business which will allow us to adjust our strategy quickly as the need arises.

I will now hand back to Fred Grimwade.

## **6. Ordinary Business**

### **6.1 Financial Statements**

The second item of business is to receive and consider the Financial Statements and Reports of the economic entity for the year ended 30 June 2016. I now table these, in the form of the Annual Report, Directors' Report, Financial Statements, Auditor's Report and Directors' Declaration for the year ended 30 June 2016.

In receiving these reports, are there any questions or comments which shareholders would like to raise concerning their content?

If there are no (more) questions or comments, I will turn to the next item of business.

## 6.2 Ordinary Resolutions

### Resolution 1: Remuneration Report

The third item of business is the advisory resolution:

*To adopt the Company's remuneration report forming part of the directors' report for the year ended 30 June 2016.*

As mentioned in the Notice of Meeting, the Remuneration Report includes information about the Board's policy for determining remuneration, a description of the relationship between the remuneration policy and Company performance and remuneration details for each director and specified executives.

In accordance with the Corporations Act, the Company will disregard any votes cast on this resolution by any member of the key management personnel who are contained within the remuneration report or any such closely related party thereof, unless a vote is cast by such a person as proxy ("proxy") for another person who is entitled to vote and is cast in accordance with the directions on the form appointing the proxy ("proxy form") or the vote 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.

It should also be noted that the vote on this resolution is advisory only and not binding on the company.

Could someone please put the motion that the Remuneration Report for the year ended 30 June 2016 be adopted?

May I have a seconder please?

Before I put the resolution to the meeting, are there any questions which shareholders would like to raise concerning the Remuneration Report?

If there are no (more) questions, I now put the resolution to the meeting. Before doing so, for the information of shareholders, it is appropriate that I inform you of the proxies which have been received for this resolution as follows:

|                   | Votes cast | Percentage of votes cast |
|-------------------|------------|--------------------------|
| <b>For</b>        | 3,504,877  | 91.26%                   |
| <b>Against</b>    | 123,502    | 3.22%                    |
| <b>Open Votes</b> | 212,000    | 5.52%                    |
| <b>Abstain</b>    | 822        | N/A                      |
| <b>Excluded</b>   | 12,501,797 | N/A                      |

All those in favour of the resolution please raise your card.

All those against please raise your card.

I declare the resolution passed/not passed by a majority.

For personal use only

**Resolution 2: Re-election of Mr Alan Baxter**

The fourth item of business is the re-election of Mr Alan Baxter as a Director of the Company. Mr Baxter has been a Non-Executive Director of the Company since 2011 and being required to retire from office in accordance with rule 8.1(d) (2A) of the Company’s constitution and being eligible, has offered himself for re-election.

I move that Mr. Alan Baxter be reappointed as a Director of the Company.

May I have a seconder please?

Before I put the resolution to the meeting, are there any questions which shareholders would like to raise concerning the re-appointment of Mr Baxter?

If there are no (more) questions, I now put the resolution to the meeting. Before doing so, for the information of shareholders, it is appropriate that I inform you of the proxies which have been received for this resolution as follows:

|                   | <b>Votes cast</b> | <b>Percentage of votes cast</b> |
|-------------------|-------------------|---------------------------------|
| <b>For</b>        | 16,099,056        | 98.57%                          |
| <b>Against</b>    | 17,022            | 0.10%                           |
| <b>Open Votes</b> | 217,000           | 1.33%                           |
| <b>Abstain</b>    | 10000             | N/A                             |
| <b>Excluded</b>   | N/A               | N/A                             |

All those in favour of the resolution please raise your card.

All those against please raise your card.

I declare the resolution passed/not passed by a majority.

**Resolution 3: Election of Mr David Lynch**

The fifth item of business is the election of Mr David Lynch as a Director of the Company. Mr Lynch was appointed as an Executive Director of the Company on 17 October 2016 and being required to retire from office in accordance with rule 8.1(d) (1) of the Company’s constitution and being eligible, has offered himself for re-election.

I move that Mr. David Lynch be appointed as a Director of the Company.

May I have a seconder please?

Before I put the resolution to the meeting, are there any questions which shareholders would like to raise concerning the re-appointment of Mr Lynch?

If there are no (more) questions, I now put the resolution to the meeting. Before doing so, for the information of shareholders, it is appropriate that I inform you of the proxies which have been received for this resolution as follows:

For personal use only

|                   | Votes cast | Percentage of votes cast |
|-------------------|------------|--------------------------|
| <b>For</b>        | 16,097,556 | 98.56%                   |
| <b>Against</b>    | 18,502     | 0.11%                    |
| <b>Open Votes</b> | 217,000    | 1.33%                    |
| <b>Abstain</b>    | 10000      | N/A                      |
| <b>Excluded</b>   | N/A        | N/A                      |

All those in favour of the resolution please raise your card.

All those against please raise your card.

I declare the resolution passed/not passed by a majority.

#### **Business Items 6 to 9**

Business items 6 to 9 are all resolutions with respect to the performance share program for the Company's directors. At the 2015 Annual General Meeting, members agreed to the implementation of a Performance Share Program under the Company's Share and Option Incentive Plan, designed to incentivise and reward directors for the achievement of specific growth targets and the achievement of a significant increase in the Company's share price over a two year period. Business items 6 to 9 propose to vary the resolutions passed and extend them for an additional year. The full details of the program are contained in the Notice of Annual General Meeting and its accompanying Explanatory Memorandum. The following four resolutions relate to the specific programs designed for each of the Company's directors.

As is required under the ASX listing rules, and section 224 of the Corporations Act the Company is required to disregard any votes cast on resolutions 4 to 7 by the Director to which the resolution relates, or any Closely Related Person or associate of the Director. The Company will disregard any votes cast on resolutions 4 to 7 by the Director to which the resolution relates, or any associate of that Director.

However, the Company will 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 Chairman as proxy for a person who is entitled to vote and the appointment expressly authorises the Chairman to exercise the proxy.

For personal use only



**Resolution 4: Cancellation of Performance Shares**

‘Since the 2015 Annual General Meeting the financial performance and share price performance of CPT has not met our expectations nor those of our Shareholders. Due to CPT underperforming, the gap between the performance hurdles and actual performance has become significant enough that the performance hurdles are unlikely to be met. The intention of the Scheme, to incentivise Directors, is compromised if the performance hurdles are unlikely to be met. It is therefore proposed to replace the remainder of the program with a revised program, which is contained within the Notice of Meeting circulated for today’s meeting. Before proposing the new program, it is necessary to cancel the program that was approved at the 2015 Annual General Meeting.’.

I move that members approve the cancellation of the Performance Share Grant of 150,000 shares to directors for the achievement of 2017 performance targets, as detailed within the Notice of Annual General Meeting.

May I have a seconder please?

Before I put the resolution to the meeting, are there any questions which shareholders would like to raise concerning the issue of cancelling the Performance Share Grant?

If there are no (more) questions, I now put the resolution to the meeting. Before doing so, for the information of shareholders, it is appropriate that I inform you of the proxies which have been received for this resolution are as follows:

|                   | <b>Votes cast</b> | <b>Percentage of votes cast</b> |
|-------------------|-------------------|---------------------------------|
| <b>For</b>        | 3,817,930         | 94.81%                          |
| <b>Against</b>    | 2,002             | 0.05%                           |
| <b>Open Votes</b> | 207,000           | 5.14%                           |
| <b>Abstain</b>    | 0                 | N/A                             |
| <b>Excluded</b>   | 12,316,126        | N/A                             |

All those in favour of the resolution please raise your card.

All those against please raise your card.

I declare the resolution passed by a majority.

As I have a direct interest in the next business item, I will hand over to Mr. Baxter to address the item.

For personal use only

**Resolution 5: Issue of Performance Shares to Mr Fred Grimwade**

‘That members approve the issues by the Company under the Company’s Share and Option Incentive Plan to Mr Fred Grimwade of an aggregate number of 50,000 ordinary shares in the Company if the set of pre-determined conditions as set out in the Notice of Annual General Meeting are satisfied (such being transactions requiring shareholder approval under ASX listing rule 10.14)’.

I move that members approve the issue by the Company under the existing CPT Share and Option Incentive plan to Mr. Fred Grimwade of an aggregate number of 50,000 ordinary shares in the Company as detailed within the Notice of Annual General Meeting.

May I have a seconder please?

Before I put the resolution to the meeting, are there any questions which shareholders would like to raise concerning the issue of performance shares to Mr. Grimwade?

If there are no (more) questions, I now put the resolution to the meeting. Before doing so, shareholders should note that under the ASX listing rules the Company will disregard any votes cast on this resolution by any director of the Company. Further, for the information of shareholders, it is appropriate that I inform you of the proxies which have been received for this resolution as follows:

|                   | <b>Votes cast</b> | <b>Percentage of votes cast</b> |
|-------------------|-------------------|---------------------------------|
| <b>For</b>        | 3,672,048         | 91.21%                          |
| <b>Against</b>    | 147,002           | 3.65%                           |
| <b>Open Votes</b> | 207,000           | 5.14%                           |
| <b>Abstain</b>    | 882               | N/A                             |
| <b>Excluded</b>   | 12,316,126        | N/A                             |

All those in favour of the resolution please raise your card.

All those against please raise your card.

I declare the resolution passed/not passed by a majority.

I will now hand back to Mr. Grimwade to address the remaining business items.

**Resolution 6: Issue of Performance Shares to Mr Alan Baxter**

‘That members approve the issues by the Company under the Company’s Share and Option Incentive Plan to Mr Alan Baxter (non-executive director) of an aggregate number of 50,000 ordinary shares in the Company (‘performance shares’) if the set of pre-determined conditions as set out in the Notice of Annual General Meeting are satisfied (such being transactions requiring shareholder approval under ASX listing rule 10.14).

I move that members approve the issue by the Company under the existing CPT Share and Option Incentive plan to Mr. Alan Baxter (non-executive director of the Company) of an aggregate number of 50,000 ordinary shares in the Company as detailed within the Notice of Annual General Meeting.

For personal use only

May I have a seconder please?

Before I put the resolution to the meeting, are there any questions which shareholders would like to raise concerning the issue of performance shares to Mr. Baxter?

If there are no (more) questions, I now put the resolution to the meeting. Before doing so, shareholders should note that under the ASX listing rules the Company will disregard any votes cast on this resolution by any director of the Company. Further, for the information of shareholders, it is appropriate that I inform you of the proxies which have been received for this resolution as follows:

|                   | Votes cast | Percentage of votes cast |
|-------------------|------------|--------------------------|
| <b>For</b>        | 3,672,048  | 91.21%                   |
| <b>Against</b>    | 147,002    | 3.65%                    |
| <b>Open Votes</b> | 207,000    | 5.14%                    |
| <b>Abstain</b>    | 882        | N/A                      |
| <b>Excluded</b>   | 12,316,126 | N/A                      |

All those in favour of the resolution please raise your card.

All those against please raise your hand and card.

I declare the resolution passed by a majority.

#### **Resolution 7: Issue of Performance Shares to Mr Gerry Tuddenham**

'That members approve the issues by the Company under the Company's Share and Option Incentive Plan to Mr Gerry Tuddenham of an aggregate number of 200,000 ordinary shares in the Company if the set of pre-determined conditions as set out in the Notice of Annual General Meeting are satisfied (such being transactions requiring shareholder approval under ASX listing rule 10.14).

I move that members approve the issue by the Company under the existing CPT Share and Option Incentive plan to Mr. Gerry Tuddenham of an aggregate number of 200,000 ordinary shares in the Company as detailed within the Notice of Annual General Meeting.

May I have a seconder please?

Before I put the resolution to the meeting, are there any questions which shareholders would like to raise concerning the issue of performance shares to Mr. Tuddenham?

If there are no (more) questions, I now put the resolution to the meeting. Before doing so, shareholders should note that under the ASX listing rules the Company will disregard any votes cast on this resolution by any director of the Company. Further, for the information of shareholders, it is appropriate that I inform you of the proxies which have been received for this resolution as follows:

For personal use only

|                   | Votes cast | Percentage of votes cast |
|-------------------|------------|--------------------------|
| <b>For</b>        | 3,682,048  | 91.46%                   |
| <b>Against</b>    | 137,002    | 3.40%                    |
| <b>Open Votes</b> | 207,000    | 5.14%                    |
| <b>Abstain</b>    | 882        | N/A                      |
| <b>Excluded</b>   | 12,316,126 | N/A                      |

All those in favour of the resolution please raise your card.

All those against please raise your hand and card.

I declare the resolution passed/not passed by a majority.

#### **7. Conclusion of the Meeting**

We have received no notice of any other business to be transacted at this Annual General Meeting.

Ladies and Gentlemen, that concludes the formal business of this meeting. I thank all of you for your attendance and, on behalf of the directors and management of CPT Global I invite you to join us for light refreshments.

I now declare this meeting to be closed.

For personal use only