

22 March 2017

**ASX Market Announcements
Australian Securities Exchange**

Mantra Group Limited (ASX: MTR) – Mandatory Direct Credit Payment

Attached is a copy of correspondence being sent to MTR Shareholders today regarding the implementation of mandatory direct credit for future dividend payments.

Yours faithfully

**Fiona van Wyk
Company Secretary
Mantra Group Limited**

22 March 2017

Dear Shareholder

**MANTRA GROUP LIMITED (ASX: MTR) ("Mantra Group")
Important Changes to Future Cash Payments to Shareholders – Mandatory Direct Credit Payment**

Mantra Group is committed to implementing sustainable and efficient business practices and has recently reviewed its processes for payment of dividends to shareholders. Following this review, Mantra Group's Board of Directors has determined that all future cash dividends for shareholders with a registered address in Australia will be made exclusively by direct credit payment.

Accordingly, effective from the next applicable record date for the payment of dividends, any cash payment to Mantra Group shareholders with a registered address in Australia will be made by direct credit only, into a shareholder's nominated bank or financial institution account (other than credit card accounts). No cheque payments will be made to shareholders with a registered address in Australia.

The implementation of mandatory direct credit payment for dividends is consistent with market practice in Australia across many ASX-listed companies.

The benefits that mandatory direct credit payment, rather than payment by cheque, is intended to bring to shareholders include:

- the ability for shareholders to access cleared funds more efficiently and securely reducing the risk of cheques being lost or stolen;
- the elimination of potential cheque fraud; and
- the reduction in administration costs associated with cancelling/reissuing and dispatching cheques.

You will continue to receive a dividend statement for your tax records, either by post or by email, depending on your selected communication preference. Mantra Group encourages all shareholders to receive dividend statements and other shareholder related communications electronically and requests that you register your email address with our registry (**Link Market Services**) at www.linkmarketservices.com.au for this purpose.

If you are already receiving your dividend payments directly to your bank account, no action is required.

If you currently receive your dividend payments by cheque, you will need to provide Link Market Services with your bank account details at www.linkmarketservices.com.au or download a paper version of a direct credit instruction form for completion and forwarding to Link Market Services. If you require further information please contact Link Market Services by calling 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

If you do not provide your bank account details by the next applicable record date for dividends, your dividend will be held in a non-interest bearing deposit account until your nominated account details are received by Link Market Services (after which time your payment will be made on the next scheduled periodic payment date).

A list of frequently asked questions in relation to direct credit payments is included on the reverse, for information purposes.

Fiona van Wyk
Company Secretary
Mantra Group Limited

FREQUENTLY ASKED QUESTIONS

Why is Mantra Group mandating direct credit payments to shareholders with a registered address in Australia?

Mandatory direct credit payment is intended to provide a number of benefits to shareholders, including the efficient and secure payment of dividends to shareholders, a reduction in potential cheque fraud and administration costs associated with cheque payments. Payment of dividends by direct credit only is now a common and accepted method of dividend payment by ASX-listed companies in Australia.

What type of account can I nominate?

Any Australian financial institution account such as a bank account, building society, credit union or cash management trust account. Payment cannot be made to credit card accounts and you cannot nominate more than one account.

If I don't get a cheque in the mail, how will I know that the payment has been made?

You will continue to receive a dividend statement for your tax records, either by post or by email, depending on your selected communication preference. The dividend statement will confirm the number of shares you hold, the dividend amount you are entitled to receive and the date of payment of the dividend. Once you provide your direct credit details to Link Market Services, your statement will also include the details of the nominated account into which the payment has been made. You can also access your dividend payment history online at www.linkmarketservices.com.au.

What happens if I change my account details?

Your dividends will be paid according to the payment information held by Link Market Services at the dividend record date. Shareholders can change their payment instructions at any time online at www.linkmarketservices.com.au or by calling Link Market Services. If a dividend payment is made and your financial institution advises that your nominated account has been closed, your payment will be withheld until such time as you provide Link Market Services with your new direct credit information. Once your new details have been received and recorded, the payment will be deposited into your account on the next scheduled periodic payment date.

What if I don't have a bank account? Can I have my dividends paid to a third party?

Payment instructions to a third party account will be accepted. You can nominate any bank or other financial institution account; not just an account in your name. Payments will continue to be paid into the nominated account unless you amend your payment instructions.

What will happen to my payment if I do not provide my banking details?

Your payment will be withheld and paid into a non-interest bearing deposit account until such time as you provide Link Market Services with your direct credit instructions. It is important to note that such payments may not be made immediately once you have provided your account details, but on a periodic basis scheduled by Link Market Services. You will continue to receive your dividend statement, which will confirm the number of shares, the amount of the dividend and the date of payment.

What about the security and privacy of my payment information?

Direct credit payment is a secure payment method. Your payment information will be held by Link Market Services and will only be used for the purpose of paying dividends or other payments relating to your shareholding. Neither Link Market Services nor Mantra Group (or their employees) can access your bank account details other than for the purpose of making dividend or other payments. Payment information will only be disclosed to contractors, such as a printing house, for the purpose of making these payments. Link Market Services has strict security measures in place to prevent unauthorised disclosure of your details and these procedures are regularly and independently audited.

Where can I obtain additional information?

Further information in relation to direct credit payments can be obtained from Link Market Services at www.linkmarketservices.com.au or by calling 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).