

# Notice of Annual General Meeting and Explanatory Notes

SeaLink Travel Group Limited

ACN 109 078 257

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Date: Thursday 6<sup>th</sup> November, 2014.

Time: 11.00a.m., Adelaide time.

Venue: The Adelaide Town Hall  
128 King William Street,  
Adelaide, South Australia

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## Documents accompanying this Notice

1. Proxy form for the Meeting
2. Reply paid Envelope

## Important Dates

Deadline for return of Proxy Forms: 11.00 am, Adelaide time on Tuesday 4th November, 2014

Voting Entitlement date: 6.30 pm, Adelaide time on Tuesday 4th November, 2014

Date and time of Meeting: 11.00 am Adelaide time on Thursday 6th November, 2014

## Meeting Procedure

The Meeting will be conducted by the Chairperson, subject to the discretion of the Chairperson to adjourn or reconvene the meeting. Each resolution will be voted on separately.

## Share Registry Details

### **Boardroom Pty Limited**

Level 7, 207 Kent Street  
Sydney, NSW, 2000

### **Contact**

T: 1300 737 760

F: 1300 653 459

[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

# Notice of Annual General Meeting

## Notice

Notice is hereby given that the SeaLink Travel Group Limited Annual General Meeting of Shareholders will be held at Adelaide Town Hall, 128 King William Street, Adelaide, South Australia on Thursday, 6<sup>th</sup> November, 2014 at 11.00a.m Adelaide time Attached to and forming part of this Notice of Meeting is an Explanatory Memorandum that provides shareholders with background information and further details in understanding the reasons for and the effect of the Resolutions if approved.

This information is presented in accordance with the regulatory requirements of the Corporations Act.

If you are unable to attend the meeting, you are requested to complete the form of proxy enclosed with this notice. The entitlement for members to vote at the meeting will be determined by reference to those persons on the register of members as at 6.30p.m. Adelaide time on Tuesday 4<sup>th</sup> November, 2014. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company, at least 48 hours before the time for holding the meeting (being no later than 11.00a.m. Adelaide time on Tuesday 4<sup>th</sup> November, 2014) at the Company's share registry, Boardroom Pty Ltd:

 <b>Online</b>	www.votingonline.com.au/sealinkagm2014
 <b>By Fax</b>	+ 61 2 9290 9655
 <b>By Mail</b>	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
 <b>In Person</b>	Level 7, 207 Kent Street, Sydney NSW 2000 Australia

A number of defined terms are used in the Notice of Meeting. These terms are contained in the Explanatory Notes and the Proxy form.

## Ordinary Business of the Meeting - Agenda

### 1. DISCUSSION OF FINANCIAL STATEMENTS

To receive and consider the financial report, the Chairman's report and the Auditor's report for the year ended 30<sup>th</sup> June, 2014.

Each year, we are required to communicate information to shareholders, including annual reports, notices of meetings and other advices. The *Corporations Legislation Amendment (Simpler Regulatory System) Act 2007* provides us with the ability to make the annual financial report available on a web site and provide a hard copy of the annual report only to those members who elect to receive them in that form subject to certain administrative requirements. We have made the annual report available online and it can be accessed at: <http://www.sealinktravelgroup.com.au/investorinfo/>

### 2. ADOPTION OF REMUNERATION REPORT

To consider and if thought fit to pass the following as a non-binding ordinary resolution:

"That the Remuneration report, as set out in the Director's Report for the Company and its controlled entities for the financial year ended 30<sup>th</sup> June, 2014, be adopted".

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.

### **3. RE-ELECTION OF DIRECTOR**

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

“That Mr. Terry Dodd, who retires in accordance with clause 59.1 of the Company’s Constitution be re-elected a director of the Company.”

### **4. RE-ELECTION OF DIRECTOR**

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

“That Mr. Christopher David Smerdon, who retires in accordance with clause 59.1 of the Company’s Constitution be re-elected a director of the Company.”

### **5. APPROVAL TO INCREASE THE SECURITIES PLACEMENT CAPACITY OF THE COMPANY**

To consider and if thought fit, to approve the following motion as a special resolution:

“That for the purposes of ASX Listing Rule 7.1A, and for all other purposes, shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the accompanying Explanatory Notes.”

#### **Voting Exclusion Statement for Resolution 5**

In accordance with ASX Listing Rule 7.3A.7, the Company will disregard any votes cast on Resolution 5 by:

- a person who may participate in the issue of securities;
  - a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this Resolution is passed; and
  - any associate of that person
- (each of whom will be a '**Prohibited Person**').

However, the Company will not disregard a vote if:

- (a) it is cast by a Prohibited 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 a Prohibited Person who is 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.

### **6. OTHER BUSINESS**

To transact any other business that may be brought forward in accordance with the Company’s Constitution.

The Explanatory Notes attached to this Notice form part of this Notice. A detailed explanation of the background and reasons for the proposed resolutions are set out in the Explanatory Notes.

**By order of the Board.**

Trevor Waller  
**Company Secretary**  
3<sup>rd</sup> October, 2014

# Explanatory Notes

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The Explanatory Notes accompany the Notice of Annual General Meeting for SeaLink Travel Group Limited ACN 109 078 257 (**Company**) to be held on Thursday, 6<sup>th</sup> November, 2014 at 11.00a.m., Adelaide time at Adelaide Town Hall, 128 King William Street, Adelaide, South Australia.

Information relevant to the business to be considered at the Annual General Meeting is provided in this Explanatory Memorandum and shareholders should read this document in full.

## **AGENDA ITEM 1. ANNUAL REPORT**

The Annual Report for consideration at the AGM will consist of the financial statements of the Company for the financial year ended 30<sup>th</sup> June, 2014, the notes to those financial statements, the Directors' Report, the Directors' declaration and the auditor's report including their Independence Statement.

The annual report is available at SeaLink Travel Group's website at [www.sealinktravelgroup.com.au](http://www.sealinktravelgroup.com.au)

Neither the *Corporations Act 2011 (Cwth)* nor the Company's constitution requires the Members to vote on the financial statements or the accompanying reports. However, Members will be given the opportunity to raise questions or comments on the financial statements at the AGM. In addition, Members will be given the opportunity to ask the Company's auditor, Ernst & Young, questions relevant to the conduct of the audit, the independence of the auditor, SeaLink's accounting policies and the preparation and content of the auditor's report.

## **AGENDA ITEM 2. ADOPTION OF REMUNERATION REPORT**

The Remuneration Report contained in the 2014 Annual report is required to be considered by Members in accordance with section 250R of the *Corporations Act 2011 (Cwth)*. The Remuneration Report, which details SeaLink's policy on remuneration of non-executive directors, executive directors and key executive as set out on Pages 11-18 of the Annual Report.

The vote on the adoption of the Remuneration Report is advisory only and is not binding. However, the Board will consider the outcome of the vote and comments made by Members on the Remuneration Report at the meeting when reviewing the Company's remuneration policies and practices.

Further, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, Members will be required to vote at the second AGM on a "Board spill resolution" to determine whether another meeting should be held within 90 days at which all of the Company's Directors (other than the Chief Executive Officer) must stand for re-election.

There are restrictions on who can vote in respect of any resolution to approve the Remuneration Report. A vote on this resolution must not be cast, and the Company will disregard any votes cast, (in any capacity) by or on behalf of the following persons-

- (a) A member of the Key Management Personnel; or
- (b) A closely related party of such a member.

#### *Link between remuneration outcomes and performance*

The Remuneration Report explains how SeaLink's performance for the 2014 financial year has driven remuneration outcomes for our senior executives. SeaLink had an excellent performance for the 2014 financial year, which resulted in overall positive growth in the Net Profit after Tax and dividends paid for the year (excluding previous special dividends). Further detail can be found on Page 12 of the Annual Report.

#### **Directors' Recommendation**

The Board recommends that shareholders vote in favour of the Remuneration Report.

#### **AGENDA ITEMS 3 & 4. RE-ELECTION OF DIRECTORS**

In accordance with clause 59.1 of the Company's Constitution, Mr. Terry John Dodd and Mr. Christopher David Smerdon will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

#### **Ordinary Resolution 3 – Re-election of Mr. Terry James Dodd - Director**

Mr Dodd has extensive experience in business management and the marine industry. After qualifying as a commercial diver in the USA and working as a commercial diver in the onshore and offshore oil and gas industry, he successfully established a recreational diving business and a travel agency in North Queensland.

Mr Dodd is Managing Director of Pacific Marine Group Pty Ltd, one of Australia's largest marine construction and commercial diving companies. Mr Dodd was previously Managing Director of Sunferries, a ferry transport business based in Townsville, prior to its sale to SeaLink in March 2011 when Mr Dodd joined the Board of SeaLink.

Mr Dodd is also Managing Director of Sydney Fast Ferries, and Vice Chairperson on the Board of the Australian Festival of Chamber Music based in Townsville.

#### **Directors' Recommendation**

The Directors (other than Mr. Dodd, who makes no recommendation) unanimously recommend that shareholders approve Ordinary Resolution 3 for the re-election of Mr. Dodd as a Director of the Company.

#### **Ordinary Resolution 4 – Re-election of Mr. Christopher David Smerdon – Director**

Mr. Smerdon has extensive experience in the Information Technology field. He founded Protech Australasia which, under his leadership, developed into a national business with offices located throughout Australia. In 2001, he joined Vectra Corporation Limited, an international player in IT Security Consulting, Storage Solutions and Infrastructure Management. Mr. Smerdon is currently Managing Director of Vectra Corporation Limited, has specialist management experience, a strong technical knowledge and a history of establishing and building new businesses.

Other directorships currently held by Mr. Smerdon are with the South Australian Government Motorsport Board where he also Chairs the Engineering Committee, and Aquaport Corporation Pty Ltd.

Mr. Smerdon is a member of the Institute of Company Directors.

#### **Directors' Recommendation**

The Directors (other than Mr. Smerdon who makes no recommendation) unanimously recommend that shareholders approve Ordinary Resolution 4) for the re-election of Mr. Smerdon as a Director of the Company.

## **AGENDA ITEM 5. APPROVAL OF ADDITIONAL CAPACITY TO ISSUE SECURITIES – AS A SPECIAL RESOLUTION**

In 2012, the ASX introduced Listing Rule 7.1A, which enables eligible listed entities to seek shareholder approval to issue fully paid ordinary shares (**Shares**) (or other quoted equity securities) equivalent to an additional 10% (**Additional Capacity**) of the number of Shares on issue, by way of placements over a 12 month period. Approval for the Additional Capacity may only be sought from shareholders at the AGM, and will be valid for 12 months from the date of the AGM. For these purposes the Company is an eligible entity, since it is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Directors consider that this Additional Capacity will provide the Company with the flexibility, if required, to raise further capital as quickly and efficiently as possible, in a cost effective manner. Consequently the Directors have resolved to seek shareholder approval for the 10% Additional Capacity, for the 12 month period from the date of this Meeting.

The Additional Capacity of 10% is in addition to the placement capacity under Listing Rule 7.1, which permits companies to issue up to 15% of their issued capital without prior shareholder approval. The Additional Capacity facility is limited to the issue of equity securities, in an existing class of quoted securities. At the date of this Notice, the Company has on issue 76,814,923 Fully Paid Ordinary Shares and therefore has the capacity to issue a further 11,522,238 Fully Paid Ordinary Shares under Listing Rule 7.1. The Company has no existing Listing Rule 7.1A approval.

The Company is now seeking Shareholder approval by way of a special resolution to provide it with the ability to issue equity securities under the 10% Additional Capacity facility, pursuant to Listing Rule 7.1A. Subject to shareholder approval being granted under this Resolution 5, the Company will have the capacity to issue additional equity securities under Listing Rule 7.1A for the twelve month period from the date of the AGM. The actual number of Shares that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares, in accordance with the formula prescribed in Listing Rule 7.1A2. Listing Rules 7.1 and 7.1A, including the prescribed formula, may be viewed on the ASX web site at [www.asx.com.au](http://www.asx.com.au).

### **Additional Information required pursuant to Listing Rule 7.3A:**

#### **Minimum Issue Price:**

Listing Rule 7.1A states that Shares issued under that rule must not be issued at a price that is less than 75% of the volume weighted average price (**VWAP**) of the existing quoted Shares calculated over the 15 trading days on which trades were recorded in those shares immediately before:

- the date on which the issue price of the Shares is agreed; or
- the issue date (if the Shares are not issued within five trading days of the date on which the issue is agreed).

Since it is not known at this time if any Additional Capacity Shares will be issued during the 12 month period, or when they may be issued, it is not possible to definitively state the minimum issue price, except to confirm that the issue price will be calculated in accordance with the above formula.

**The risk of economic and voting dilution of existing security holders:**

The Company presently has one class of quoted fully paid ordinary shares, no partially paid shares, and Director and Employee share options to take up ordinary shares. There is the risk that the market price for the Company's quoted Shares may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A. In addition, the Additional Capacity Shares may be issued at a price that is at a discount to the market price for quoted Shares on the issue date. The following table provides several examples of the potential dilution of existing ordinary Shareholders, based upon different assumed issue prices. In each example:

- the table only shows the dilution effect as a result of an Additional Capacity placement and does not show the effect of a 15% placement under Listing Rule 7.1;
- the assumed issue price is based on a price that is 75% of an estimated future VWAP as described under Minimum Issue Price above;
- the base issued capital is calculated in accordance with Listing Rule 7.1A;
- the maximum Additional Capacity issue of 10% is made;
- no existing shareholder participates in the issue;
- none of the existing options are exercised in the interim; and
- the dilution factor is on the basis that existing shareholders hold 100% voting power prior to the 10% Additional Capacity issue, and following that issue the existing shareholders hold 90.9% of the new voting power.

<b>Base Issued Capital (existing holders)</b>	<b>Assumed Issue Price (VWAP) \$</b>	<b>Additional Capacity Placement Shares</b>	<b>Funds Raised \$</b>	<b>Issued Capital Post Placement</b>	<b>Dilution Factor for Existing Holders</b>
76,814,923 ordinary shares	\$1.50	7,681,492	\$11,522,238	84,496,415 ordinary shares	9.09%
* 80,655,670 ordinary shares	\$1.80	8,065,567	\$14,518,020	88,721,237 ordinary shares	13.42%
** 153,629,846 ordinary shares	\$0.75	15,362,985	\$11,522,238	168,992,831 ordinary shares	55.55%

**Notes:**

\* The issued capital has increased by 5% during the period and the VWAP has increased by 20% and that no existing shareholder participated in that new transaction.

\*\* By way of further example and as required by Listing Rule 7.3, this calculation assumes that there is effectively double the number of issued ordinary shares, that the VWAP of an Additional Capacity issue will be 50% of the original VWAP, and that no existing shareholder participated in that new transaction.

**Date of Issue**

Any securities issued under this resolution will be issued no later than 12 months from the date of the AGM. Under the Listing Rules however the approval will cease to be valid, if the holders of the Company's Shares approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

**Market Capitalisation.**

The market capitalisation of the Company as at the 30<sup>th</sup> September, 2014 is \$135,194,264 being calculated as the number of ordinary shares on issue multiplied by the closing share price on the ASX on that date.

### **Purpose for which the Additional Capacity Shares may be issued**

The Company has not formed a definite purpose at this time, and seeks this Additional Capacity to be prepared for future possibilities. It is most likely that if an issue is made, it will be for the purpose of furthering the development of the Company's assets, including future acquisitions, and/or for general working capital. If a suitable opportunity arises, equity securities may be issued for other than cash to acquire, or assist to acquire, a new asset from non-related parties, commensurate with the Company's activities.

### **Allocation Policy**

The Company's allocation policy will depend upon the prevailing market conditions at the time of any proposed Additional Capacity issue. The identity of the allottees of Additional Capacity securities will be determined on a case-by-case basis, having regard to various factors including the following:

- Securities will only be issued to sophisticated investors, which may or may not include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.
- Securities will only be issued for purposes commensurate with the activities of the Company, at the sole discretion of the Directors.
- Any discount offered to investors will be the minimum possible in the circumstances.
- The methods of raising funds that are available to the Company, including but limited to rights issues or other issues in which existing security holders can participate.
- The effect of the issue on the control of the Company.

### **Previous approval under Listing Rule 7.1A**

The Company has not previously obtained any approval under Listing Rule 7.

### **Voting Exclusion Statement**

The voting exclusion statement for this Resolution is included in the Notice of Meeting.

At the date of the Notice of Meeting, the Company has not formed any intention to issue any additional Shares or other securities, and has not approached any particular existing Shareholder (or any other person) with a view to participating in the issue of equity securities. Therefore no existing Shareholder's votes will be excluded under the voting exclusion in the Notice of Meeting.

### **Directors' Recommendation**

The Directors unanimously recommend that shareholders approve Special Resolution 5 to provide the Company with additional capacity to issue securities. The Chairman of the Meeting will be casting undirected proxies in favour of this Resolution.

## **Proxies and Voting**

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### **Determination of Shareholders' Right to Vote**

For the purposes of this meeting, shares will be taken to be held by persons who are registered as members as at 6.30p.m Adelaide time. on Tuesday 4<sup>th</sup> November, 2014. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the meeting.

Direct voting and the appointment of a proxy by a Member are **alternatives**, a Member cannot lodge a direct vote and appoint a proxy for the same voting rights.

## **Voting in Person**

If you are proposing to attend the Meeting and vote, there is no need for you to take any further action at this time.

## **Voting in Corporate Representative**

Body corporate members should complete an "Appointment of Corporate Representative Form" to enable a person to attend the meeting on their behalf. This form can be obtained from the Boardroom's website at <http://www.boardroomlimited.com.au/Forms.html>

## **Appointment of a proxy**

A Member entitled to vote at the AGM may appoint not more than two proxies to attend and vote at the AGM on that shareholder's behalf. A proxy need not be a Member of the Company.

A Member who is entitled to cast two or more votes may appoint not more than two proxies to attend and vote at the AGM. If you appoint two proxies, you may specify the proportion or number of votes each proxy is appointed to exercise. If no such proportion is specified, each proxy can exercise half of the shareholder's voting rights.

If the appointment of a proxy directs the proxy to vote on an item of business in a particular way, the proxy may only vote on that item as directed. Any undirected proxies on a given resolution may be voted on by the appointed proxy as they choose, subject to voting exclusions as described previously.

In the case of shares jointly held by two or more persons, any joint holder may appoint a proxy but if more than one is present at the meeting (either in person or by proxy or attorney or representative) the joint holder whose name appears first in the Company's share register shall alone be entitled to vote in respect of those shares.

Members who wish to appoint a proxy may do so by returning a completed proxy form in addition to the power of attorney or other authority (if any) under which it is signed (or a certified copy) to the Company's registered office.

## **Lodging a proxy form**

To be effective, the completed Voting Form, together with any relevant power of attorney, must be received at the Company's share registry - Boardroom Pty Limited not less than 48 hours before the time for holding the meeting, which is 11.00a.m Adelaide time on Tuesday 4<sup>th</sup> November, 2014. Members can also submit their proxy voting instructions on-line at <http://www.votingonline.com.au/sealinkagm2014>

The proxy can be returned either by:

 <b>Online</b>	<a href="http://www.votingonline.com.au/sealinkagm2014">www.votingonline.com.au/sealinkagm2014</a>
 <b>By Fax</b>	+ 61 2 9290 9655
 <b>By Mail</b>	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
 <b>In Person</b>	Level 7, 207 Kent Street, Sydney NSW 2000 Australia

A proxy form with a reply-paid envelope accompanies this Notice of Annual General Meeting