



Our Ref: SFG ASX Announce 2017 AGM Notice (544)

20 October 2017

ANNOUNCEMENT 544

Company Announcements Office
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

By ASX Online
Number of pages: 15
(including this page)

Dear Sir

Seafarms Group Notice of Annual General Meeting and Proxy

Enclosed are the following Seafarms Group Limited documents which will be sent to shareholders today:

- Notice of Annual General Meeting with supporting Explanatory Memorandum;
- Pro forma Proxy Form;
- GoOnline Form; and
- Lost Holder Letter.

The Annual Report for the period ended 30 June 2017, which will be sent to those shareholders who have requested a copy, was released to the market on 30 August 2017. The Report is available on our web site www.seafarms.com.au/investor

The Company's Annual General Meeting will be held in Melbourne, on Friday 24 November 2017 at 10.00 am AEDST. Please telephone Harley Whitcombe on (08) 9321 4111 with any queries.

Yours faithfully

Seafarms Group Limited

A handwritten signature in black ink, appearing to read "Harley Whitcombe".

Harley Whitcombe
Company Secretary

ENC

Seafarms Group Limited
ABN 50 009 317 846

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SEAFARMS GROUP LIMITED

ABN 50 009 317 846

Notice of 2017 Annual General Meeting

10.00am (AEDST), Friday, 24 November 2017

At Corrs Chambers Westgarth
Level 25,
567 Collins Street
Melbourne VIC 3000

Seafarms Group Limited

NOTICE OF MEETING 2017

The 2017 Annual General Meeting of Seafarms Group Limited (**SFG** or the **Company**) will be held at Corrs Chambers Westgarth Level 25, 567 Collins Street, Melbourne VIC 3000 at 10.00am (AEDST), Friday, 24 November 2017.

Dear Shareholder

I am pleased to invite you to attend the 2017 Annual General Meeting of Seafarms Group Limited to be held at Corrs Chambers Westgarth Level 25, 567 Collins Street, Melbourne VIC 3000 on Friday, 24 November 2017 at 10.00am (AEDST).

The Annual General Meeting is an ideal opportunity for you to meet your Board and senior management team and I encourage you to attend the meeting.

The Company's principal continuing activity during the year consisted of aquaculture project development, aquaculture operations, carbon project management, the provision of environmental services (advisory in ecosystem offsets and carbon farming projects), and trading environmental credits.

The Board of Seafarms Group has continued to develop Project Sea Dragon (**PSD**) and have now executed an Indigenous Land Use Agreement and a Project Development Agreement. The Project has continued to show robust economics and the ability to occupy a position in the lowest quartile of lowest cost producers internationally. The Crystal Bay brands have continued to achieve strong retail and food services acceptance with the expansion of our stock keeping units and our range of products from the delicatessen to refrigerator and to the freezer.

An electronic copy of the Company's 2017 Annual Report is available to download or view on the Company's website at <http://www.seafarmsgroup.com.au>. The Company's 2017 Annual Report has also been sent to those Shareholders who previously elected to receive a hard copy.

The following pages contain details on the items of business to be conducted at the 2017 Annual General Meeting. Your Directors believe that each of the resolutions is in the best interests of the Company and its Shareholders.

Voting on the resolutions at the 2017 Annual General Meeting is important and if you are not able to attend I encourage you to nominate a proxy by returning the enclosed Proxy Form.

If you nominate a proxy, please carefully consider the proxy comments in this Notice. Please ensure you forward the manual Proxy Form to the Company's Share Registry, Computershare Investor Services Pty Limited, so that it is received by 10.00am (AEDST) on Wednesday, 22 November 2017.

Your Board and management team look forward to seeing you at the 2017 Annual General Meeting.

Yours faithfully



Ian Trahar
Executive Chairman
20 October 2017

Seafarms Group Limited

NOTICE OF MEETING 2017

Items of Business		Shareholder Approval	Voting Restrictions and Further Details	
ORDINARY BUSINESS				
1.	DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS	To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2017.	Not applicable	5
2.	REMUNERATION REPORT	To adopt the Remuneration Report for the year ended 30 June 2017.	Non-binding	5
3.	ELECTION OF DIRECTOR – MR IAN TRAHAR	That for the purposes of ASX Listing Rule 14.4, rule 11.7 of the Company's constitution and for all other purposes, Mr Ian Trahar be re-elected as a Director.	Ordinary resolution	5
4.	ELECTION OF DIRECTOR – DR CHRISTOPHER MITCHELL	That for the purposes of ASX Listing Rule 14.4, rule 11.7 of the Company's constitution and for all other purposes, Mr Christopher Mitchell be re-elected as a Director.	Ordinary resolution	5
SPECIAL BUSINESS				
5.	RATIFICATION OF 5,259,148 OPTIONS ISSUED TO SUBSCRIBERS UNDER THE SHARE PURCHASE PLAN	That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 5,259,148 Options to shareholders who received Shares pursuant to the Share Purchase Plan be ratified and approved.	Ordinary resolution	6
6.	ADDITIONAL CAPACITY TO ISSUE SECURITIES	That for the purposes of ASX Listing Rule 7.1A and for all other purposes the Company be granted an additional equity raising capacity equivalent to 10% of the Company's ordinary securities as described in the Explanatory Notes.	Special resolution	7

Seafarms Group Limited

NOTICE OF MEETING 2017

VOTING

Notice Record Date

The Company's shareholders (**Shareholders**) recorded on the Company's register of members at 7.00pm (AEDST) on Tuesday, 17 October 2017 (**Notice Record Date**) will be entitled to receive this notice of meeting (**Notice**).

Voting Entitlement

Shareholders recorded on the Company's register of members at 7.00pm (AEDST) on Wednesday 22 November 2017 (**Voting Entitlement Date**) will be entitled to vote on Items at the Company's 2017 annual general meeting (**Meeting**).

Becoming a Shareholder

Persons who become registered Shareholders between the Notice Record Date and the Voting Entitlement Date, and wish to vote at the Meeting by proxy should call 1300 798 306 (within Australia) or +61 3 9415 4830 (outside Australia) and request an additional personalised voting form.

Persons who become beneficial Shareholders between the Notice Record Date and the Voting Entitlement Date, and wish to vote at the Meeting by proxy should contact their broker or intermediary for instructions on how to do so.

Voting Procedure

Under the Company's constitution (**Constitution**), any poll will be conducted as directed by the chair of the Meeting (the **Chair**).

Shareholders can vote in one of two ways:

- by attending the Meeting and voting; or
- by appointing a proxy to attend and vote on their behalf.

Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the Meeting, if possible, so that the Company may check their Shareholding against the Company's share register and note attendances.

Voting Restrictions

The voting prohibitions under the *Corporations Act 2001* (Cth) (**Corporations Act**) and voting exclusions under the ASX Listing Rules (**Listing Rules**) for each Item are set out in the Explanatory Notes to this Notice.

PROXY FORMS

Proxy Form

Enclosed with this Notice is a personalised proxy form (**Proxy Form**). The Proxy Form allows Shareholders who are not attending the Meeting to appoint a proxy to vote on their behalf.

If you hold fully paid ordinary shares in the capital of the Company (**Shares**) in more than one capacity, please complete the Proxy Form that is relevant to each holding.

Appointing proxies

Shareholders, who are entitled to attend and vote at the Meeting, may appoint a proxy to act generally at the Meeting and to vote on their behalf. A proxy need not be a Shareholder of the Company.

A Shareholder entitled to attend and vote can appoint up to two proxies, and should specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. If you wish to appoint two proxies please call 1300 798 306 (within Australia) or +61 3 9415 4830 (outside Australia) and request an additional Proxy Form.

A corporate Shareholder or proxy must appoint a person as its corporate representative.

Undirected proxies

Any proxy given to:

- a member of the Company's key management personnel (the Company's directors (**Directors**) and other executives) (**Key Management Personnel**), other than the Chair; or
- their closely related parties (including a spouse, dependent or other close family members, as well as any companies they control) (**Closely Related Parties**),

for Item 2 will not be counted unless Shareholders specify how the proxy is to vote.

Any undirected proxy given to the Chair for Item 2 by a Shareholder entitled to vote on Item 2 will be voted by the Chair in favour of the Item, in accordance with the express authorisation on the Proxy Form. The Chair intends to vote all valid undirected proxies for all other Items in favour of those Items.

Power of attorney and corporate representatives

If the Proxy Form is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form.

A body corporate member may elect to appoint a representative, rather than appoint a proxy. Where a body corporate appoints a representative, written proof of the representative's appointment must be to be lodged with, or presented to the Company before the Meeting.

A body corporate appointed as a proxy must also lodge a certificate of appointment of a corporate representative.

LODGING PROXY FORMS

Deadline

Proxy Forms must be received by 10.00am (AEDST) on Wednesday, 22 November 2017.

How to lodge Proxy Forms

You can lodge your Proxy Form with the Company by:

Online: At www.investorvote.com.au

Mobile: Scan the QR code on your Proxy form and follow the prompts

Mail: to GPO Box 242, Melbourne Victoria 3001.

Delivery: to Level 11, 172 St Georges Terrace, Perth, Western Australia 6000.

Facsimile: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).


Custodian: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

Further details on how to lodge your Proxy Form can be found on the reverse side of the Proxy Form.

ENQUIRIES

If you have any questions about this Notice or your Proxy Form please contact the Company's share registry, Computershare Investor Services Pty Ltd, at 1300 798 306 (within Australia) or +61 3 9415 4830 (outside Australia).

By order of the Board of Directors



Mr Harley Whitcombe
Company Secretary
20 October 2017

Seafarms Group Limited

EXPLANATORY NOTES 2017

ITEM 1 DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, Shareholders will have a reasonable opportunity to ask questions or make comments on the Company's Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2017.

The Company's auditor, Deloitte Touche Tohmatsu, will be present at the Meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies and the independence of the auditor.

The auditor will also respond to any written questions provided these are submitted to the Company no later than five business days prior to the Meeting.

There is no requirement for Shareholders to approve the Company's Financial Report, Directors' Report and Auditor's Report.

A copy of the Company's 2017 Annual Report, which includes the Company's Financial Report, Directors' Report and Auditor's Report is available on the Company's website: <http://www.seafarms.com.au>.

ITEM 2 REMUNERATION REPORT

Background

The Remuneration Report for the financial year ended 30 June 2017 is included in the Company's Annual Report and sets out the Company's remuneration arrangements for Directors and executive staff.

The Chair will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting. Shareholders will then be asked to vote on the Remuneration Report.

The vote is advisory only and does not bind the Company or its Directors. The Company's board (**Board**) will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

No spill resolution

If at least 25% of votes that are cast are voted against the adoption of the Company's Remuneration Report at two consecutive annual general meetings, Shareholders must vote on whether the Board should go up for re-election.

At the Company's 2016 annual general meeting, less than 25% of the votes cast on the resolution to adopt the 2016 Remuneration Report were voted against the resolution. Accordingly no spill resolution will be held at this Meeting.

Board recommendation

The Board unanimously recommends that Shareholders vote **in favour** of the adoption of the Remuneration Report.

The Chair intends to vote undirected proxies in favour of Item 2 in accordance with the express authorisation on the Proxy Form.

Voting prohibition statement

A vote on Item 2 must not be cast (in any capacity) by or on behalf of a member of Key Management Personnel (details of whose remuneration are including in the Remuneration Report) or any of their Closely Related Parties.

However, the prohibition will not apply if the vote is cast as proxy for a person who is entitled to vote, where:

- the Proxy Form specifies how the proxy is to vote on Item 2; or
- the proxy is the Chair, who may vote in favour of Item 2 in accordance with an express authorisation on the Proxy Form.

ITEM 3 ELECTION OF DIRECTOR

Mr Ian Trahar was appointed to the Board on 13 November 2001.

Mr Trahar was most recently re-elected at the Company's 2014 annual general meeting, on 26 February 2015.

In accordance with Listing Rule 14.4 and rule 11.7 of the Constitution, Mr Trahar will retire and being eligible, offer himself for re-election. His relevant skills and experience are summarised below.

	Mr Ian Trahar <i>B.Ec, MBA</i>
Term	Appointed 13 November 2001
Independent	No
Skills and experience	Mr Trahar has a resource and finance background and has established and been involved in a number of businesses in the resources industry. He holds an MBA from the University of Melbourne. He is a director and significant shareholder of Avatar Industries Pty Ltd. He is a member of the Australian Institute of Company Directors. Mr Trahar is the Company's largest shareholder.
Other directorships	None
Special responsibilities	Executive Chairman Member of the audit committee Member of the remuneration committee
Interests in the Company	453,391,227 Shares and 21,708,333 Options

Board recommendation

The Board (other than Mr Trahar who has an interest in the resolution) believe that the re-election of Mr Trahar is in the best interests of the Company and unanimously recommend that Shareholders vote **in favour** of the re-election of Ian Trahar.

The Chair intends to vote undirected proxies in favour of Item 3.

ITEM 4 ELECTION OF DIRECTOR

Dr Christopher David Mitchell was appointed to the Board on 27 July 2005.

Dr Mitchell was most recently re-elected at the Company's 2014 annual general meeting, on 26 February 2015.

In accordance with Listing Rule 14.4 and rule 11.7 of the Constitution, Dr Mitchell will retire and being eligible, offer himself for re-election. His relevant skills and experience are summarised below.

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	Dr Christopher David Mitchell <i>PhD, BSc (Hons). GAICD</i>
Term	Appointed 27 July 2005
Independent	No
Skills and experience	Dr Mitchell has PhD in biology from the University of Melbourne, is a graduate of the Australian Institute of Company Directors and has a 20 year involvement in Australian and international climate research. He is Adjunct Professor at the School of Environmental Science Murdoch University. Prior to joining the Company full time Dr Mitchell was Foundation Director of the Centre for Australian Weather and Climate Research, a partnership between CSIRO and the Bureau of Meteorology, and was CEO of the Cooperative Research Centre for Greenhouse Accounting. He chaired the Victorian Climate Change Minister's Reference Council on Climate Change Adaptation and served on the CSIRO's Environmental and Natural Resources Sector Advisory Committee
Other directorships	None
Special responsibilities	Executive Director Member of the audit committee Member of the remuneration committee
Interests in the Company	2,893,936 Shares, 250,000 Options and 8,100,000 Performance Rights

Board recommendation
The Board (other than Dr Mitchell who has an interest in the resolution) believe that the re-election of Dr Mitchell is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the re-election of Christopher David Mitchell.
The Chair intends to vote undirected proxies in favour of Item 4.

ITEM 5 RATIFICATION OF ADDITIONAL OPTIONS TO SUBSCRIBERS UNDER THE SHARE PURCHASE PLAN

Background

On 2 June 2017 the Company announced a Share Purchase Plan (SPP). Under the SPP, eligible Shareholders were entitled to subscribe for up to \$15,000 worth of new Shares. Additionally, Shareholders subscribing for Shares under the SPP were entitled to be issued one bonus Option for every two Shares issued to them under the SPP. At the time of announcement of the SPP, the Company retained the right to scale back applications if applications received exceeded \$4 million.

The SPP complied with the requirements of Listing Rule 7.2, Exception 15, Listing Rule 10.12, Exception 8 and ASIC Class Order 09/425. Accordingly, Shares issued pursuant to the SPP did not count towards the Company's 15% issue limit under Listing Rule 7.1 (15% Capacity) or the 10% issue limit under Listing Rule 7.1A (Additional 10% Capacity).

However, the issue of bonus Options did not fall within any Listing Rule exceptions and could only be issued with Shareholder approval or under the Company's Listing Rule 7.1 capacity.

Accordingly, at an extraordinary general meeting of the Company held on 4 July 2017 (EGM), the Company sought and obtained approval from Shareholders under Listing Rule 7.1 for the issue of the maximum number of Options that would be issued if \$4 million was raised under the SPP, being 33,333,333 Options (EGM Approval). For further details in relation to this related approval, refer to the notice of EGM lodged with ASX on 5 June 2017.

Oversubscription

The SPP enjoyed strong support from the Shareholders and received applications for a total of approximately \$4.63 million. Given that the SPP was originally implemented as a consequence of Shareholder enquiry, the Board exercised its rights under the SPP offer booklet to accept all applications without any scale-back.

The acceptance of applications beyond \$4 million meant that 5,259,148 Options (Additional Options) issued to SPP subscribers were not covered by the EGM Approval. Accordingly, the Additional Options were issued using the 15% Capacity.

Purpose of the approval

The Company seeks to ratify the issue of the Additional Options pursuant to Listing Rule 7.4. This rule allows an issue made by the Company (without Shareholder approval) to be treated as having been made with approval for the purposes of Listing Rule 7.1 if Shareholders subsequently ratify it and issue did not breach Listing Rule 7.1.

Listing Rule 7.4 allows a Company to re-instate its 15% Capacity (and its Additional 10% Capacity) if Shareholders ratify the previous issue of securities.

The company confirms that the allotment and issue of the Additional Options did not breach Listing Rule 7.1.

Information required under Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

Number of securities issued	5,259,148 Options
Date of issue	17 July 2017
Issue price	Nil
Recipients	Shareholders who were issued Shares pursuant to the SPP.
Terms of the issued Securities	The terms on which the Options were issued are set out in Schedule 2.
Intended use of funds	No funds were raised by the issue of the Options. Funds raised on the exercise of Option will be used for working capital purposes and general corporate purposes.

Voting exclusion statement – not applicable

ASX has granted the Company a waiver from Listing Rule 7.5.6 to permit the Company not to include a voting exclusion statement for this resolution. As a result, all Shareholders are entitled to vote on this resolution.

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ITEM 6 ADDITIONAL CAPACITY TO ISSUE SECURITIES

Background

The Company seeks Shareholder approval to increase the Company's capacity to issue equity securities by a number equal to 10% of the Company's ordinary securities as at the date 12 months prior to this Meeting (**Additional 10% Capacity**).

The Additional 10% Capacity is in addition to the Company's capacity to issue equity securities equivalent to 15% of the Company's ordinary securities, under Listing Rule 7.1.

The Additional 10% Capacity will provide the Company with the maximum flexibility to raise funds by issuing equity securities without the need for further Shareholder approval.

If approved the Additional 10% Capacity will expire on the earlier of:

- 12 months following the date of this Meeting; or
- the date Shareholders approve a significant change to the nature or scale of the Company's activities or a disposal of the Company's main undertaking under Listing Rule 11.1.2 or 11.2.

If the Additional 10% Capacity is not approved, the Company may be required to obtain Shareholder approval at the time of an issue, which may limit the Company's ability to take advantage of opportunities to raise equity capital.

Purpose of approval

Under Listing Rule 7.1A the Company must obtain Shareholder approval at this Meeting to issue equity securities equivalent to 10% of the Company's ordinary securities in the 12 months following the approval in addition to the Company's capacity to issue equity securities equivalent to 15% of the Company's ordinary securities.

Any equity securities issued under the Additional 10% Capacity must be in the same class as an existing quoted class of equity securities in the Company. As at the date of this Notice, the Company has on issue two quoted classes of equity securities, being Shares and Listed Options.

The Additional 10% Capacity must be approved by a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). The number of equity securities issued under the Additional 10% Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Details of the Additional 10% Capacity

Minimum issue price The issue price will be at least 75% of the VWAP for the securities in the same class, calculated over the 15 days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within five trading days of the date in the paragraph above, the date on which the securities are issued.

Date of issue The Additional 10% Capacity will expire on the earlier of:

- 23 November 2018; or
- the date Shareholders approve a significant change to the nature or scale of the Company's activities or a disposal of the Company's main undertaking under Listing Rule 11.1.2 or 11.2.

Use of funds Securities may be issued for:

- cash consideration, to fund the development of Project Sea Dragon and the growth of the Company's aquaculture business, to acquire new assets or investments, or for general working capital; and
- non cash consideration, for the acquisition of new assets, businesses or resources.

The Company will comply with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A in relation to any issue of securities under the Additional 10% Capacity.

Allocation policy

The identity of allottees will be determined on a case-by-case basis having regard to factors which may include:

- the methods of raising funds which are available to the Company
- the effect of an issue on the control of the Company; and
- advice from corporate, financial and broking advisers.

As at the date of this Notice, the allottees have not been determined. They may, however, include substantial Shareholders and/or new Shareholders.

Risk of dilution

There is a risk of economic and voting dilution to the Shareholders, including that:

- the market price for the equity securities may be significantly lower on the date of the issue than it is on the date of the Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for the equity securities.

The table below sets out:

- the economic and voting dilution based on 100%, 150% and 200% of the Company's current issued share capital; and
- the capital raised by an issue of securities at the current market rate, at a 50% reduction and at a 100% increase to the current market rate.

Shares on Issue	Shares Issues	Capital raised		
		At 50% decrease in market price \$0.037	At current market price \$0.074	At 100% increase in market price \$0.148
Current 1,403,584,698	140,358,469	\$5,193,263	\$10,386,527	\$20,773,054
50% increase 2,105,377,047	210,537,704	\$7,789,895	\$15,579,790	\$31,159,580
100% increase 2,807,169,396	280,716,939	\$10,386,527	\$20,773,054	\$41,546,107

Assumptions and explanations

- The market price is \$0.074, based on the closing price for the Shares on 16 October 2017.
- The issue prices included in the table do not take into account discount to the market price (if any).
- These calculations assume that each Shareholder maintains its current Shareholding in the Company and does not participate in the issue which utilises the 10% Capacity.

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- No further equity is issued either under the Company's current capacity to issue 15% of its equity securities or on conversion of convertible securities.
- The company utilises the full Additional 10% Capacity by issuing Shares.
- The table represents dilution as a whole and is not an example of dilution that may be caused to a particular Shareholder.

Previous approval

At the Company's 2016 annual general meeting, Shareholders approved the Company's capacity to issue equity securities equivalent to an Additional 10% of the Company's ordinary securities. The approval given at the 2016 annual general meeting will expire on 24 November 2017.

Security issues in the last 12 months

The Company has issued 421,777,647 equity securities in the 12 month period preceding the date of this Notice, the details of which are set out in **Schedule 1** to this Notice.

On 20 October 2016, the equity securities of the Company constituted, or were convertible into 1,181,499,717 Shares. On this measure, the equity securities issued in the preceding 12 months amount to approximately 35.70% of the equity securities on issue on 20 October 2016.

Board Recommendation

The Board unanimously recommends Shareholders vote **in favour** of granting the Company the Additional 10% Capacity.

The Chair intends to vote undirected proxies in favour of Item 6.

Voting exclusion statement

The Company will disregard any votes cast on Item 6 by or on behalf of any person who may participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if Item 6 is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- 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
- it is cast by the Chair 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.

As at the date of this Notice, the Company has not identified any particular persons or class of persons who would be excluded from voting on Item 6.

Seafarms Group Limited

SCHEDULE 1 – OPTION TERMS

1. Each Option entitles the holder to subscribe for 1 Share upon exercise of the Option and payment of the Exercise Price (defined below).
2. Each Option is exercisable at A\$0.10 (**Exercise Price**).
3. The Options automatically expire at 5.00pm (Perth time) on 17 July 2021 (**Expiry Date**).
4. The Options will be quoted on ASX.
5. The Company must give the holder of each Option a holding statement stating:
 - (a) the number of Options issued to each holder;
 - (b) the Exercise Price of the Options; and
 - (c) the date of issue of the Options.
6. Holders may exercise the Options at any time up to the Expiry Date. Any Option not exercised automatically expires on the Expiry Date.
7. Options may only be exercised during the hours of 8.30am to 5.00pm (Perth time) (**Business Hours**) by the delivery to the registered office of the Company or the Company's share registry a notice in writing stating the intention of the holder to:
 - (a) exercise all or a specified number of the Options; and
 - (b) pay the Exercise Price in full for the exercise of each such Option.
8. A notice in writing received outside of Business Hours will be deemed received at the next opening of Business Hours.
9. The exercise notice must be accompanied by the holding statement for the options being exercised and a cheque made payable to the Company for the Exercise Price for the Options being exercised.
10. The Options will be deemed to have been exercised on the date the exercise notice is received or deemed to be received by the Company or the Company's share registry.
11. The Company will allot the Shares to which a holder is entitled following exercise of Options and deliver a holding statement with respect to such Shares within the timeframe required by the Listing Rules.
12. The exercise of only some Options will not affect the rights of the holder to the balance of the Options held by them.
13. If the holder of the Options exercises less than the total number of Options registered in the holder's name, the Company must issue the holder of Options a new holding statement for the remaining number of Options held by the holder.
14. Options will not confer an entitlement to receive dividends declared and paid by the Company, nor an entitlement to vote at general meetings of the Company unless the holder of the Options has exercised the Options before the Exercise Date and participates as a result of holding Shares.
15. All Shares issued on exercise of an Option will:
 - (a) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued Shares;
 - (b) be issued credited as fully paid;
 - (c) be duly authorised and issued by all necessary corporate action; and
 - (d) be allotted and issued free from all liens, charges and encumbrances whether known about or not, including statutory and other pre-emption rights and any transfer restrictions.
16. The Company will apply to ASX for official quotation of the Shares issued upon exercise of Options within the time period required by the Listing Rules.
17. A holder of Options does not have the right to participate in bonus issues or new issues of securities offered to Shareholders until Shares are allotted to the holder pursuant to the exercise of the Options.
18. In the event of a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the capital of the Company, the rights of the holders of Options (including, without limitation, the number of Options to which the Optionholder is entitled to and the Exercise Price) will be changed (as appropriate) in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
19. If the Company makes a pro-rata issue (other than a bonus issue) to existing Shareholders and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the Exercise Price of each Option will be reduced in the manner permitted by the Listing Rules applying at the time of the pro-rata issue.
20. If the Company makes a bonus issue to existing Shareholders and no Share has been issued in respect of that Option before the record date for determining entitlements to the issue, then the number of Shares over which that Option is exercisable will be increased in the manner permitted by the Listing Rules applying at the time of the bonus issue.
21. The Company is entitled to treat the registered holder of an Option as the absolute holder of that Option and is not bound to recognise any equitable or other claim to, or interest in, that Option on the part of any person other than the registered holder, except as ordered by a court of competent jurisdiction or as required by statute.


Seafarms Group Limited

SCHEDULE 2 – SECURITIES ISSUED IN THE PAST 12 MONTHS

Date of Issue	9 June 2017	30 June 2017	5 July 2017	17 July 2017	22 August 2017	22 August 2017
Brief Details	Shares issued pursuant to Institutional Placement announced on 2 June 2017 (Placement)	Shares issued pursuant to Share Purchase Plan announced 2 June 2017 (SPP)	Shares issued pursuant to Debt conversion announced 2 June 2017 (Debt Conversion)	Bonus Listed Options issued to subscribers under the Placement, SPP and Debt Conversion as announced on 2 June 2017	Unlisted Options issued to company consultants and employees under the Employee Incentive Plan*.	Performance Rights issued to Directors under the Employee Incentive Plan
Summary of Terms	133,333,333 Shares, issued on the same terms and ranking equally in all respects with existing fully paid ordinary shares on issue in the Company	77,185,172 Shares, issued on the same terms and ranking equally in all respects with existing fully paid ordinary shares on issue in the Company	41,666,666 Shares, issued on the same terms and ranking equally in all respects with existing fully paid ordinary shares on issue in the Company. The funds received were used to repay debt to Avatar Finance Pty Ltd.	126,092,476 Listed Options which have an exercise price of \$0.10 and expire on 17 July 2021. The terms of the Listed Options are set out Schedule 1.	30,000,000 Unlisted Options issued pursuant to the Company's employee incentive plan as approved by Shareholders at the annual general meeting held on 25 November 2016 (Employee Incentive Plan*). The Unlisted Options have an exercise price of \$0.10 and expire on 22 August 2021.	13,500,000 Performance Rights issued pursuant to the Employee Incentive Plan*. The pool of 13,500,000 Performance Rights was approved by Shareholders' at the annual general meeting held on 1 February 2016. The Performance Rights have nil exercise price and expire on 22 August 2019.
Investor / Recipient	Sophisticated and professional investors	Shareholders of the Company	Avatar Finance Pty Ltd (a company controlled by Mr Ian Trahar, the company's executive Chairman and largest Shareholder).	Placement and SPP participants and Avatar Finance Pty Ltd	To Company consultants and employees	To Mr Harley Whitcombe and Mr Christopher Mitchell
Price	\$0.06 per Share	\$0.06 per Share	\$0.06 per Share	Nil	Nil	Nil
Discount to market price on date of issue	N/A	1.64%	1.64%	N/A	N/A	N/A
Amount received	\$8,000,000	\$4,631,120.08	\$2,500,000	Nil	Nil	Nil
Current value of non-cash consideration	N/A	N/A	N/A	N/A	N/A	N/A

* The terms of the Employee Incentive Plan were summarised in Item 6 of the notice of meeting in respect of the annual general meeting held on 25 November 2016.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 798 306
(outside Australia) +61 3 9415 4830



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

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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

 **For your vote to be effective it must be received by 10.00am (AEDST) Wednesday, 22 November 2017**

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

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

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Seafarms Group Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Seafarms Group Limited to be held at Corrs Chambers Westgarth, Level 25, 567 Collins Street, Melbourne, Victoria on Friday, 24 November 2017 at 10.00am (AEDST) and at any adjournment or postponement of that Meeting.

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

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

STEP 2 Items of Business

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

ORDINARY BUSINESS

	For	Against	Abstain
Item 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Election of Director – Mr Ian Trahar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Election of Director – Dr Christopher Mitchell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

Item 5 Ratification of 5,259,148 Options issued to subscribers under the Share Purchase Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Additional capacity to issue securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /



ABN 50 009 317 846

SFGRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
SAMPLETOWN VIC 3030



IND

For your security keep your SRN/HIN confidential.

GO ONLINE TODAY TO REDUCE YOUR ENVIRONMENTAL IMPACT AND RECEIVE YOUR SHAREHOLDER COMMUNICATIONS FASTER AND MORE SECURELY

Dear Shareholder,

Our records show that you may not have provided your email address for the above shareholding.

Our company is committed to both its shareholders and the wider community. To that end, we are asking all our shareholders to provide an email address to receive their communications online.

Shareholder communications available online include Annual Report, Voting Forms, Notice of Meeting, Issuer Sponsored Holding Statements, Payment Advices and other company related information.

WHY GO ONLINE?

Receiving shareholder communications electronically, instead of by post, means:

- > Faster access to important shareholder and company information
> Reduced environmental impact
> Secure access to your shareholder documents online, reducing clutter in your home or office
> Convenient access to all your documents, 24/7



PROVIDE YOUR DETAILS ONLINE

- 1. Go online to www.investorcentre.com
2. Select 'Login' for existing users (New users select 'Create Login' and follow the prompts)
3. Enter your 'User ID'
4. Enter your 'Password'
5. Click on 'My Profile' and select 'Communications Preferences' to enter your email address and update your securityholder communication methods.

OR



PROVIDE YOUR DETAILS BY POST

My email address is:

Form for entering email address with a grid pattern and an @ symbol.

By providing my email address above I am electing to receive all my shareholder communications via email rather than by post. This includes notifications by email (where offered) of Annual Reports, Voting Forms, Notice of Meeting, Issuer Sponsored Holding Statements, Payment Advices and replaces any prior election I may have made.

If you do not wish to receive shareholder communications electronically you do not need to take any action. You can change your election at any time by accessing www.investorcentre.com/au or by calling the Computershare Helpdesk on 1300 850 505.

EE015

SFGRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

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

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

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

You are requested to include the following:

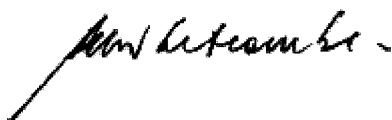
- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

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

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

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

Yours sincerely



Mr Harley Whitcombe
Company Secretary