



ASX Announcement | 30 October 2019
Seafarms Group Limited (ASX:SFG)
(SFG Announcement No. 633)

SFG 2019 AGM Notice of 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; and
- Lost Holder Letter.

The Annual Report for the period ended 30 June 2019, which will be sent to those shareholders who have requested a copy, was released to the market on 2 September 2019. 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 Thursday 28 November 2019 at 10.00 am AEDST.

For further information, please contact:

Seafarms Group

Mr Harley Whitcombe
Company Secretary
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About Seafarms Group

Seafarms Group Limited (ASX:SFG) is a sustainable aquaculture company, producing the premium Crystal Bay® Prawns and developing the Project Sea Dragon prawn aquaculture project in northern Australia.

Seafarms Group uses environmentally sustainable culture processes and is currently Australia's largest producer of farmed prawns, its Crystal Bay® Prawns and Crystal Bay® Tigers are available year round in fresh and frozen formats. To learn more please visit: www.crystalbayprawns.com.au

Seafarms Group is investing in sustainable aquaculture for export through Project Sea Dragon, a large-scale, vertically integrated, land-based, prawn aquaculture project being developed in northern Australia. The standalone marine prawn production system will be capable of annually producing over 150,000 tonnes of prawns and the high-quality, year-round volumes will target export markets. To learn more please visit: www.seafarms.com.au

SEAFARMS GROUP LIMITED

ABN 50 009 317 846

Notice of 2019 Annual General Meeting **10.00am (AEDST), Thursday, 28 November 2019**

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

Seafarms Group Limited

NOTICE OF MEETING 2019

The 2019 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), Thursday, 28 November 2019.

Dear Shareholder

I am pleased to invite you to attend the 2019 Annual General Meeting of Seafarms Group Limited, to be held at Corrs Chambers Westgarth Level 25, 567 Collins Street, Melbourne VIC 3000 on Thursday, 28 November 2019 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 was the development of our shovel ready Project Sea Dragon (**PSD**), which has seen the commencement of on ground works with further expansion and/or new infrastructure development programmes targeted to support our world leading domestication and breeding program. This program, which commenced in 2014, forms part of a critical long term biosecurity investment in the development of PSD.

During the year Seafarms Group officially opened its PSD development office in Darwin. This office will support the development of PSD operations in the Northern Territory, including the Stage 1 Legune Station Grow-Out Facility, a Broodstock Maturation Centre at Bynoe Harbour and a hatchery at Gunn Point.

Support from governments continues for PSD. Importantly, the Commonwealth Government renewed PSD's Major Project Status for a further 3 years. The Northern Territory and Western Australian Governments are also continuing to provide support to PSD including major road upgrades and land packages to support the PSD development.

The Board of the Company has continued to undertake research and development initiatives at our Queensland operations in order to enhance water quality and biosecurity. The Crystal Bay brands have continued to achieve strong retail and food services acceptance. The Company also completed its first shipment of Queensland product to Japan under the Nissui offtake agreement, which has been well received in the Japanese market.

An electronic copy of the Company's 2019 Annual Report is available to download or view on the Company's website at <http://www.seafarmsgroup.com.au>. The Company's 2019 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 2019 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 2019 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 Tuesday, 26 November 2019.

Your Board and management team look forward to seeing you at the 2019 Annual General Meeting.

Yours faithfully



Ian Trahar
Executive Chairman
30 October 2019

Seafarms Group Limited

NOTICE OF MEETING 2019

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 2019.	Not applicable
2. REMUNERATION REPORT	To adopt the Remuneration Report for the year ended 30 June 2019.	Non-binding
3. ELECTION OF DIRECTOR – MR HARLEY WHITCOMBE	That for the purposes of ASX Listing Rule 14.4, rule 11.7 of the Company's constitution and for all other purposes, Mr Harley Whitcombe be re-elected as a Director.	Ordinary resolution
SPECIAL BUSINESS		
4. 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
5. APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS	That for the purposes of section 648G of the Corporations Act and all other purposes, the proportional takeover provisions set out in Schedule 2 to the Explanatory Notes of this Notice be renewed for a period of three years, with effect from the date of this Meeting.	Special resolution

Seafarms Group Limited

NOTICE OF MEETING 2019

VOTING

Voting Entitlement

The Company's shareholders (**Shareholders**) recorded on the Company's register of members at 7.00pm (AEDST) on Tuesday, 26 November 2019 (**Voting Entitlement Date**) will be entitled to vote on Items at the Company's 2019 annual general meeting (**Meeting**).

Becoming a Shareholder

Persons who become registered Shareholders between the date of this notice of meeting (**Notice**) 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 Tuesday, 26 November 2019.

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 front 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
30 October 2019

Seafarms Group Limited

EXPLANATORY NOTES 2019

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 2019.

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 2019 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 2019 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 2018 annual general meeting, less than 25% of the votes cast on the resolution to adopt the 2018 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

In accordance with the Corporations Act, the Company will disregard any votes cast on Item 2:

- by or on behalf of a member of Key Management Personnel (details of whose remuneration are including in the Remuneration Report), or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- by a person who is a member of the Key Management Personnel at the date of the Meeting, or their Closely Related Parties, as a proxy.

However, votes will not be disregarded if they are cast as a proxy for a person entitled to vote on Item 2:

- in accordance with a written direction specifying the way the proxy is to vote on the resolution; or
- by the Chair pursuant to an express authorisation to exercise the proxy even if this Item is connected directly or indirectly with the remuneration of the Key Management Personnel.

ITEM 3 ELECTION OF DIRECTOR

Mr Harley Whitcombe was appointed to the Board on 12 November 2001.

Mr Whitcombe was most recently re-elected at the Company's 2016 annual general meeting, on 25 November 2016.

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

	Mr Harley Whitcombe <i>B.Bus CPA</i>
Term	Appointed 12 November 2001.
Independent	No.
Skills and experience	Mr Whitcombe has many years' of commercial and finance experience, providing company secretarial services to publicly listed companies. He is a member of the Australian Institute of Company Directors.
Other directorships	None.
Special responsibilities	Chief Financial Officer and Company Secretary of the Company.
Interests in the Company	18,298,258 Shares and 250,000 Listed Options.

Board recommendation

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

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

ITEM 4 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.

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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:

- 28 November 2020;
- the Company's next annual general 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.

Use of funds Securities may be issued for cash consideration, to fund the development of PSD and the growth of the Company's aquaculture business, to acquire new assets or investments, or for general working capital.

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, but will not include related parties of the Company (or their associates).

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 \$0.043	At current market price \$0.086	At 100% increase in market price \$0.172
Current 2,005,595,635	200,559,563	\$8,624,061	\$17,248,122	\$34,496,245
50% increase 3,008,393,452	300,839,345	\$12,936,092	\$25,872,148	\$51,744,367
100% increase 4,011,191,270	401,119,127	\$17,248,122	\$34,496,245	\$68,992,490

Assumptions and explanations

- The market price is \$0.086, based on the closing price for the Shares on 23 October 2019.
- 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.
- 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 2018 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 2018 annual general meeting will expire on 23 November 2019.

Security issues in the last 12 months

The Company has issued 418,129,913 equity securities in the period between the 2018 annual general meeting and date of this Notice, further details of which are set out in **Schedule 1**.

On 28 November 2018, the Company had 1,891,872,617 equity securities on issue. On this measure, the equity securities issued in the preceding 12 months amount to approximately 22.1% of the equity securities on issue on 28 November 2018.

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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 4.

Voting exclusion statement

The Company will disregard any votes cast in favour of Item 4 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person (or 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 4.

ITEM 5 APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS

Background

Under the Corporations Act, a company may include provisions in its constitution to enable it to refuse to register shares acquired under a proportional takeover bid unless a resolution approving the bid is passed by shareholders. Such provisions cease to apply three years after they were inserted into a company's constitution or last renewed by shareholders.

The Company last renewed the proportional takeover provisions in its existing constitution at the 2016 annual general meeting on 25 November 2016. Accordingly, if Item 5 is not approved, the proportional takeover provisions (Rule 5) in the Company's Constitution will cease to apply on 25 November 2019.

The Company proposes to renew the proportional takeover provisions (as set out in **Schedule 2) (Provisions)**. If Item 5 is approved by the Shareholders, the Provisions will apply until 28 November 2022).

Where the approval of Shareholders is sought to include proportional takeover provisions in a constitution, the Corporations Act requires the Company to provide Shareholders with an explanation of the proposed proportional takeover approval provisions. That information is set out below so that Shareholders may make an informed decision on whether to support or oppose Item 5.

What is a proportional takeover bid?

A proportional takeover bid is a takeover offer sent to all shareholders, but only in respect of a specified portion of each shareholder's shares. Accordingly, if a shareholder accepts in full the offer under a proportional takeover bid, the shareholder will dispose of the specified portion of their shares in a company and retain the balance of the shares.

Effect of the Provisions to be inserted

If the Provisions are inserted, in the event that a proportional takeover offer is made to Shareholders of the Company, the Board will be required to convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover offer. That meeting must be held at least 15 days before the offer under the proportional takeover bid closes.

The resolution shall be taken to have been passed if a majority of Shares voted at the meeting, excluding the Shares of the bidder and its associates, vote in favour of the resolution. The Directors will breach the Corporations Act if they fail to ensure the approving resolution is voted on. However, if no resolution is voted on before the end of the 15th day before the close of the

offer, the resolution will be deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of Shares resulting from accepting the offer will be registered provided they otherwise comply with the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the Company's constitution. If the resolution is rejected then, in accordance with the Corporations Act, the offer will be deemed to be withdrawn.

In accordance with the Corporations Act, the Provisions will cease to operate three years after their adoption (i.e. on 28 November 2022) unless members resolve by special resolution to renew them in accordance with statutory procedure.

The proportional takeover approval provisions do not apply to full takeover bids.

Reasons for proposing the resolutions

The Directors consider that Shareholders should have the opportunity to include the Provisions in the new constitution. Without the inclusion of the Provisions, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their shares to the bidder. Accordingly, Shareholders risk passing control to the bidder without payment of an adequate control premium for all their Shares, whilst at the same time being left as part of a minority interest in the Company.

The Provisions deal with this possibility by providing that if a proportional takeover bid is made for Shares in the Company, Shareholders must vote on whether or not a proportional takeover bid should be permitted to proceed.

The benefit of the Provisions is that Shareholders are able to decide collectively whether the proportional offer is acceptable in principle. Further, the Provisions may ensure that any partial offer is appropriately priced.

Potential advantages and disadvantages for the directors and shareholders of the Company

The inclusion of the Provisions will enable the Directors to formally ascertain the views of Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that insertion of the Provisions has no potential advantages or potential disadvantages for them personally as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.

The Directors consider that the Provisions will benefit all Shareholders in that they will have an opportunity to consider a proportional takeover bid and then attend, or be represented by proxy at, a meeting of Shareholders called specifically to vote on the proposal. Accordingly, Shareholders will be able to prevent a proportional takeover bid proceeding if there is sufficient support for the proposition that control of the Company should not be permitted to pass under the proportional takeover bid. The Provisions may also help Shareholders avoid being locked in as a minority with one majority Shareholder. In addition, and as stated above, increasing the bargaining power of Shareholders may ensure that any partial offer is adequately priced. Furthermore, knowing the view of Shareholders assists each individual Shareholder to assess the likely outcome of the proportional takeover bid and whether to accept or reject that bid.

As to the possible disadvantages to Shareholders of inserting the Provisions, it may be argued that the proposal makes a proportional takeover bid more difficult and that such proportional takeover bids will therefore be discouraged. The chance of a proportional takeover bid being successful may be reduced. In turn, this may reduce the opportunities which Shareholders may have to sell all or some of their Shares at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's Share price. Such a provision may also be considered an additional restriction on the ability of individual Shareholders to deal freely in their Shares.

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On balance, the Directors consider that the possible advantages outweigh the possible disadvantages such that insertion of the Provisions is in the interests of Shareholders.

Knowledge of acquisition proposals

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

Board Recommendation

The Board unanimously recommends that Shareholders vote **in favour** of Item 5.

The Chairman intends to vote undirected proxies in favour of Item 5.

SCHEDULE 1 – SECURITIES ISSUED IN THE PAST 12 MONTHS

Date of Issue	12 December 2018	14 April 2019	15 May 2019	29 May 2019	30 August 2019	18 January 2019, 21 January 2019, 23 April 2019 and 3 October 2019
Brief Details	<p>a) Unlisted options issued to LPIG Pty Ltd in connection with the sublease of Legune Station;</p> <p>b) Unlisted options issued to LPIG Pty Ltd in connection with the sublease of Legune Station.</p>	Shares issued pursuant to the placement announced to the ASX on 5 April 2019 (Placement).	Shares issued to Nippon Suisan Kaisha in connection with their contractual anti-dilution right, which was activated by the Company's Placement (Nissui Top-Up).	Shares issued to Shareholders pursuant to the share purchase plan announced to the ASX on 5 April 2019 (SPP).	<p>a) Shares issued to Avatar Finance Pty Ltd pursuant to the debt conversion announced to the ASX on 5 April 2019.</p> <p>b) A convertible security issued to Avatar Finance Pty Ltd as part of the new loan arrangements announced to the ASX on 5 April 2019.</p>	Shares issued pursuant to the exercise of listed options.
Summary of Terms	<p>a) 30,000,000 unlisted options with exercise price of \$0.10.</p> <p>b) 50,000,000 unlisted options with an exercise price of \$0.10.</p> <p>The terms of the options issued to LPIG Pty Ltd are summarised in Schedule 1 to the notice of meeting in respect of the meeting held on 20 August 2019 (EGM NOM).</p>	222,222,222 Shares issued on the same terms and ranking equally in all respects with existing fully paid ordinary shares on issue in the Company.	33,311,111 Shares issued on the same terms and ranking equally in all respects with existing fully paid ordinary shares on issue in the Company.	49,263,246 Shares issued on the same terms and ranking equally in all respects with existing fully paid ordinary shares on issue in the Company.	<p>a) 33,333,333 Shares issued on the same terms and ranking equally in all respects with existing fully paid ordinary shares on issue in the Company.</p> <p>b) 1 convertible security. The terms of the convertible security are summarised in Schedule 2 to the EGM NOM.</p>	235,255 Shares issued on the same terms and ranking equally in all respects with existing fully paid ordinary shares on issue in the Company.
Investor / Recipient	LPIG Pty Ltd	Participants in the Placement.	Nippon Suisan Kaisha Limited.	Shareholders.	Avatar Finance Pty Ltd	Holders of the Company's listed options.
Price	Nil.	\$0.09 per Share.	\$0.09 per Share.	\$0.09 per Share.	<p>a) \$0.09 per Share.</p> <p>b) Nil.</p>	\$0.097
Discount to market price on date of issue	N/A	Issued at no discount to the open market price on 12 April 2019.	Issued at no discount to the open market price on 15 May 2019.	Issued at a 1.1% discount to the open market price on 29 May 2019.	<p>a) Issued at a 28.21% premium to the open market price on 30 August 2019.</p> <p>b) N/A.</p>	Shares issued on exercise were issued between a discount of 34.02% and a premium of 7.78% to the open market price on that respective day.
Amount received	Nil.	<p>The Company raised a total of \$27.4 million from the capital raising announced on 5 April 2019, which comprised the Placement, Nissui Top-Up and SPP (Capital Raising). A breakdown of funds received is set out below:</p> <ul style="list-style-type: none"> • Placement - \$20,000,000.00. • Nissui Top-Up - \$2,997,999.99. • SPP - \$4,433,712.87. <p>To date, the Company has spent \$14.2 million of the funds raised from the Capital Raising on PSD and working capital, with \$13.2 million remaining available to the Company.</p>	<ul style="list-style-type: none"> • Placement - \$20,000,000.00. • Nissui Top-Up - \$2,997,999.99. • SPP - \$4,433,712.87. 	<p>a) \$3,000,000.00. Funds received were applied to repaying a portion of the amounts outstanding under the Avatar Finance Pty Ltd facility agreement.</p> <p>b) Nil.</p>	<p>a) \$228,197.35.</p>	

Seafarms Group Limited

SCHEDULE 1 – SECURITIES ISSUED IN THE PAST 12 MONTHS

<p>Current value of non-cash consideration</p>	<p>The options were issued to LPIG Pty Ltd as part of the consideration to AAM Licensees Pty Ltd for the Legune sublease.</p> <p>The current value of the options is:</p> <p>a) \$0.0380 per option (\$1,138,912.00 in total);* and</p> <p>b) \$0.0268 per option (\$1,338,288.00 in total).*</p>	<p>N/A.</p>	<p>N/A.</p>	<p>N/A.</p>	<p>a) b)</p>	<p>N/A.</p> <p>In their independent expert's report, Invicta Corporate Finance assessed the fair market value of the convertible security as between \$3.72 and \$5.34 million, with a midpoint of \$4.55 million. For further details see Annexure A to the EGM NOM.</p>	<p>N/A.</p>
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* The value is measured using a Black & Scholes model based on a share price of \$0.09.

SCHEDULE 2 – PROPORTIONAL TAKEOVER PROVISION

5 Approval required for proportional takeover

5.1 Definitions

In this rule 5:

Approving Resolution means a resolution of Eligible Shareholders approving a Proportional Takeover.

Deadline means the day which is the 14th day before the last day of the bid period for a Proportional Takeover.

Proportional Takeover means offers for Securities made under a proportional takeover bid within the meaning of the Corporations Act.

Eligible Shareholder means a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under a Proportional Takeover was made, held Securities in the class of Securities to which the Proportional Takeover relates.

5.2 Transfer not to be registered

The registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover is prohibited unless and until an Approving Resolution is passed (or is taken to have been passed) in accordance with this Constitution.

5.3 Approving Resolution

- (a) Where offers have been made under a Proportional Takeover, the directors must, before the Deadline, convene a meeting of the Eligible Shareholders to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing a resolution to approve the Proportional Takeover.
- (b) The provisions of this Constitution relating to general meetings apply, with such modification as is necessary, to a meeting convened under this rule 5.3 as if that meeting were a general meeting.
- (c) Any vote cast on an Approving Resolution by the bidder or any of its associates will be disregarded.
- (d) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (e) If an Approving Resolution is voted on in accordance with this rule 5.3 before the Deadline, a director or a secretary must, on or before the Deadline, give the bidder and ASX (if required) notice stating that an Approving Resolution has been voted on and whether it was passed or rejected.
- (f) If no Approving Resolution has been voted on in accordance with this rule as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this rule 5, to have been passed in accordance with those provisions.

5.4 Cessation of effect

Rules 5.1 to 5.3 cease to have effect at the end of three years after:

- (a) where those rules have not been renewed since their adoption, the date on which those rules were adopted by the Company; or
- (b) if those rules have been renewed since their adoption, the date on which they were last renewed.

Need assistance? **Phone:**
1300 798 306 (within Australia)
+61 3 9415 4830 (outside Australia) **Online:**
www.investorcentre.com/contact**YOUR VOTE IS IMPORTANT**

For your proxy appointment to be effective it must be received by **10:00am (AEDST) Tuesday, 26 November 2019**

Proxy Form

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

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

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 183086

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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 Thursday, 28 November 2019 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 in step 2) 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.

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 Harley Whitcombe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

Item 4 Additional Capacity to Issue Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Approval of Proportional Takeover Provisions	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically



ABN 50 009 317 846

SFGRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
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 CHESS 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 CHESS are also updated.

Yours sincerely

Seafarms Group Limited