



19 October 2015

The Manager
ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Addendum to 2015 Notice of Annual General Meeting and Proxy Form

SurfStitch Group Limited (**Company**) encloses an addendum (**Addendum**) to the Notice of Annual General Meeting and Proxy Form dated 9 October 2015, for the Company's Annual General Meeting (**AGM**) which is to be held on Tuesday 10 November 2015 commencing at 11:00am (Sydney time) at The Sebel Manly Beach, 8-13 South Steyne, Manly NSW 2095. The date and time of the meeting have not changed.

The Addendum sets out an additional resolution to be proposed at the AGM (**Resolution 8**) relating to the ratification of three issues of shares by the Company in accordance with ASX Listing Rule 7.4. Full details regarding Resolution 8 are set out in the Explanatory Memorandum attached to the Addendum.

A new Proxy Form relating to the AGM is annexed to the Addendum. The new Proxy Form is provided in place of the original Proxy Form which shareholders will have received with the Notice of Meeting dated 9 October 2015. The Addendum sets out actions to be taken in regards to the new Proxy Form.

The enclosed Addendum, Explanatory Memorandum and Proxy Form will be dispatched to all shareholders on Tuesday 20 October 2015.

Yours faithfully

SURFSTITCH GROUP LIMITED

Karen Birner
Group Chief Financial Officer & Company Secretary



**ADDENDUM TO THE
NOTICE OF ANNUAL GENERAL MEETING**

**FOR THE ANNUAL GENERAL MEETING
OF SHAREHOLDERS TO BE HELD ON
10 NOVEMBER 2015**



19 October 2015

Dear Shareholder

ANNUAL GENERAL MEETING

You will have recently received a Notice of Annual General Meeting (**AGM**) from SurfStitch Group Limited (the **Company**) dated 9 October 2015. I am writing to you now with notice of an additional resolution to be proposed at the AGM of the Company to be held at The Sebel Manly Beach, 8-13 South Steyne, Manly NSW 2095, Australia commencing at 11.00am (Sydney time) on Tuesday, 10 November 2015. The date and time of the meeting has not changed.

ADDITIONAL RESOLUTION

The additional resolution set out in the attached Addendum to the Notice of Meeting relates to the ratification of three issues of shares by the Company in accordance with ASX Listing Rule 7.4.

This new resolution will be proposed as an ordinary resolution and is in addition to the resolutions included in the original Notice of Annual General Meeting.

Full details regarding the additional resolution are set out in the Explanatory Memorandum attached to this Addendum.

ACTION TO BE TAKEN

A new Proxy Form relating to the AGM accompanies this document. This Proxy Form is provided in place of the original Proxy Form which shareholders will have received with the Notice of Meeting dated 9 October 2015.

If you have not yet submitted a Proxy Form, please discard the original Proxy Form and use the attached Proxy Form instead.

If you have already submitted the original Proxy Form, you may replace it by completing and lodging the attached Proxy Form no later than 11am (Sydney time) on Sunday 8 November 2015. Alternatively, if you do nothing, your original Proxy Form will apply and your votes in respect of the resolutions proposed in the original Notice of Meeting will be counted as valid, and you will be deemed to have given no direction on Resolution 8.

In order to be valid, all Proxy Forms must be received no later than 11am (Sydney time) on Sunday 8 November 2015.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Howard McDonald'.

Howard McDonald
Chairman

ADDENDUM TO NOTICE OF ANNUAL GENERAL MEETING

SurfStitch Group Limited (ACN 602 288 004) (**Company**), hereby gives notice to shareholders of the Company that, in relation to the Notice of Meeting dated 9 October 2015 in respect of the Annual General Meeting of members to be held at 11.00am (Sydney time) on Tuesday, 10 November 2015 at The Sebel Manly Beach, 8-13 South Steyne, Manly NSW 2095, Australia, the Directors have determined to add new Resolution 8 as set out below and to amend and supplement the information contained in the Explanatory Memorandum.

This Addendum (including Resolution 8 and the supplementary Explanatory Memorandum) should be read in conjunction with, and forms part of, the Notice of Meeting dated 9 October 2015. A copy of the original Notice of Meeting can be found on the ASX website at <http://www.asx.com.au/asxpdf/20151009/pdf/431z1gf9r70j3l.pdf>.

RESOLUTION 8 – APPROVAL OF PREVIOUS ISSUES OF SHARES

To consider and, if thought appropriate, pass the following resolution as an ordinary resolution of the Company:

“That approval is given for all purposes, including ASX Listing Rule 7.4, for the ratification of the issue of:

- 25,000,000 ordinary shares to institutional investors, at an issue price of \$1.50 per share;
- 766,282 ordinary shares to each of the former shareholders of Magicseaweed Limited, being Ben Freeston, Nicholas Lott and Ryan Anderson, to be issued at an issue price of \$1.65; and
- 1,829,520 ordinary shares to Samuel McIntosh, 121,968 ordinary shares to Samuel McIntosh ATF the Samuel McIntosh Family Trust and 487,872 ordinary shares to Thomas Bird, being each of the former shareholders of Rollingyouth Pty Ltd, to be issued at an issue price of \$1.23;

each on the terms set out in the Explanatory Memorandum to this Notice of Meeting.”

VOTING EXCLUSION STATEMENT

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in any capacity by a person who participated in the issue of shares referred to in Resolution 8 and any associates of those persons, unless the vote is cast as a proxy for a person entitled to vote:

- in accordance with a direction on the Proxy Form; or
- by the Chairman of the Meeting, in accordance with a direction on the Proxy Form to vote as the proxy decides.

EXPLANATORY MEMORANDUM

BACKGROUND

In May 2015, the Company announced that it had agreed to acquire Magicseaweed Limited (**Magicseaweed**) and Rollingyouth Pty Ltd (**Rollingyouth**) (which publishes Stab Magazine) (**Acquisitions**) for a total cash consideration of A\$13.8 million and 4,738,206 shares in the Company.

In addition, the Company announced that it would conduct an equity raising comprising:

- a A\$37.5million fully underwritten institutional placement (**Placement**); and
- a non-underwritten share purchase plan (**SPP**),

to provide the Company with proceeds to fund the cash component of the Acquisitions and flexibility to pursue further strategic growth initiatives, including the continued build-out of the Company's content strategy, working capital and general corporate purposes.

The Placement completed on 14 May 2015 and settlement of the Placement and issue of the shares under the Placement took place on 19 May 2015.

WHY IS APPROVAL BEING SOUGHT?

ASX Listing Rule 7.1 restricts the Company from issuing more than 15% of its issued capital in any 12 month period, unless the issue is approved by shareholders or an exception to the requirement to seek shareholder approval applies.

ASX Listing Rule 7.4 allows the Company's shareholders to ratify an issue of securities so that they will not be counted towards the 15% limit. If Resolution 8 is approved, the shares that were issued to institutional investors under the Placement and that will be issued to the former shareholders of Magicseaweed and Rollingyouth will not count towards the 15% limit. The effect of this resolution is to 'refresh' the Company's capacity to issue securities within the 15% limit without seeking further shareholder approval.

The shares issued under the SPP are not considered to fall within the 15% limit and do not require shareholder approval under ASX Listing Rules 7.1 or 7.4 as ASX Listing Rule 7.2, Exception 15 applies.

TERMS AND CONDITIONS

ASX Listing Rule 7.5 requires the Notice of Meeting to include certain information regarding the issue of shares for which approval is sought under Resolution 8. This information is set out below.

Type of security	Number issued	Allottees	Issue price	Terms	Intended use of the funds
Fully paid ordinary shares	25,000,000	Institutional Investors	\$1.50 per share (this price represents 3.2% discount to the closing price of the Company's shares on 13 May 2015)	Rank equally with existing shares	To provide the Company with proceeds to fund the cash component of the Acquisitions and flexibility to pursue further strategic growth initiatives, including continued build-out of the Company's content strategy, working capital and general corporate purposes.
Fully paid ordinary shares	766,282	Ben Freeston	\$1.65 per share (this price represents the volume weighted average price per ordinary share for the period 15 trading days before the date on which the acquisition completed).	On issue they will rank equally with all other ordinary shares	As part consideration for the acquisition of Magicseaweed
	766,282	Nicholas Lott			
	766,282	Ryan Anderson			
Fully paid ordinary shares	1,829,520	Samuel McIntosh	\$1.23 per share (this price represents the volume weighted average price per ordinary share in the period between the date on which the Company was listed on ASX and the day before the date on which the acquisition completed).	On issue they will rank equally with all other ordinary shares	As part consideration for the acquisition of Rollingyouth
	121,968	Samuel McIntosh ATF Samuel McIntosh Family Trust			
	487,872	Thomas Bird			

RECOMMENDATION

The Directors recommend that you vote in favour of this resolution.

The Chairman intends to vote all available proxies in favour of all resolutions, including resolution 8.

APPOINTING A PROXY

In order to appoint a proxy, please use the accompanying Proxy Form.

The Proxy Form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the *Corporations Act 2001* and the constitution of that corporation.

To be effective, the Proxy Form and the power of attorney or other authority (if any) under which it is signed or a certified copy of that authority, must be received by the Company at least 48 hours before the meeting – that is **no later than 11:00am (Sydney time) on Sunday, 8 November 2015**. The Proxy Form may be submitted to the Company's share registry:

By fax:

+61 2 9287 0309 (this is a dedicated line for proxy forms only)

Online:

www.linkmarketservices.com.au

There are instructions on the back of the proxy form on how to lodge your proxy online

By delivery:

Link Market Services Ltd
Level 12, 680 George Street,
Sydney NSW 2000; or
1A Homebush Bay Drive,
Rhodes NSW 2138

By post:

Surfstitch Group Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY NSW 1235

Any Proxy Form received after this deadline including at the meeting will be treated as invalid.

LODGE YOUR PROXY



ONLINE

www.linkmarketservices.com.au



BY MAIL

SurfStitch Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

02 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of SurfStitch Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (Sydney time) on Tuesday, 10 November 2015 at The Sebel Manly Beach, 8-13 South Steyne, Manly NSW 2095** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 5, 6 and 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below for Resolutions 1, 5, 6 or 7, then by signing and returning this form you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of the relevant Resolution even though that Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Grant of Performance Rights to Justin Cameron	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Justin Paul Towells Stone as Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Grant of Performance Rights to Lex Pedersen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Jane Huxley as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Grant of Performance Rights to Justin Stone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Appointment of KPMG as Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Approval of previous issues of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. If you leave this section blank, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the Chairman of the Meeting's voting intentions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses (to the extent permitted by law). If you mark more than one box on an item your vote on that item will be invalid.

VOTING RESTRICTIONS FOR MEMBERS OF KMP

Please note that if you appoint a member of the KMP (other than the Chairman of the Meeting) or one of their closely related parties (such as spouses, dependents and controlled companies) as your proxy, they will not be able to vote your proxy on Resolutions 1, 5, 6 and 7, unless you direct them how to vote by marking a voting box in Step 2. If the Chairman of the Meeting is your proxy or becomes your proxy by default for Resolutions 1, 5, 6 and 7, but you do not mark a voting box for these resolutions, then by completing and submitting the Proxy Form, you will be expressly authorising the Chairman of the Meeting to exercise your proxy on the relevant resolution as he thinks fit, even though the resolution is connected with the remuneration of the KMP. Further information on the applicable voting restrictions can be found in the Notice of Meeting.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Sydney time) on Sunday, 8 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your proxy. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

SurfStitch Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

02 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

If you have previously lodged a valid Proxy Form for the Meeting, but that Proxy Form did not include Resolution 8 (in Step 2), you may replace it by lodging this Proxy Form by 11:00am (Sydney time) on Sunday, 8 November 2015. If you do nothing, your original Proxy Form will apply and you will be deemed to have given no direction on Resolution 8.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**