

Notice of annual general meeting

Sedgman Limited ACN 088 471 667

Notice is given that the Annual General Meeting of Sedgman Limited (**Sedgman** or the **Company**) will be held at:

Location	Marriott Hotel, 515 Queen Street, Brisbane
Date	Thursday, 19 November 2015
Time	10.00am (Brisbane time)

The Explanatory Memorandum accompanying this Notice provides additional information on the matters to be considered at the Meeting. The Explanatory Memorandum is intended to be read in conjunction with, and forms part of, this Notice.

A number of words and terms used in this Notice and the Explanatory Memorandum have defined meanings, which are set out in the glossary in the Explanatory Memorandum.

Ordinary business

Financial statements and reports

To receive and consider the Company's financial reports and the reports of the Directors and the Auditor for the financial year ended 30 June 2015.

Remuneration Report

To consider and, if thought fit, to pass the following resolution under section 250R(2) of the Corporations Act:

- 1 'That the Remuneration Report for the financial year ended 30 June 2015 be adopted.'

This resolution will be decided as if it were an ordinary resolution. Under section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company. There are restrictions on voting on this resolution. See the section on voting restrictions in the notes accompanying this Notice.

Election of Directors

To consider and, if thought fit, to pass the following resolutions as **ordinary resolutions**:

- 2 'That Mr Peter Richards who retires by rotation under rule 16.1 of the Constitution, and being eligible, be re-elected as a Director.'
- 3 'That Mr Tony Jacobs who retires by rotation under rule 16.1 of the Constitution, and being eligible, be re-elected as a Director.'
- 4 'That Mr Bart Vogel who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be elected as a Director in accordance with rule 13.2 of the Constitution.'
- 5 'That Mr Philippe Etienne who was appointed to the Board following the last annual general meeting of the Company, and being eligible, be elected as a Director in accordance with rule 13.2 of the Constitution.'

Special business

Approval of Sedgman Long Term Incentive Plan

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

- 6 'That for the purposes of Listing Rule 7.1 and Listing Rule 7.2 Exception 9(b) and for all other purposes, the Sedgman Long Term Incentive Plan (**LTIP**), the terms and conditions of which are set out in the Explanatory Memorandum and the issue of Performance Rights under the LTIP, and the issue of fully paid ordinary shares (**Shares**) on the exercise of the Performance Rights, be approved.'

Issue of securities to Mr Peter Watson

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

- 7 'That for the purposes of Listing Rule 10.14 and for all other purposes, the issue to Mr Peter Watson or his nominee of Performance Rights under the LTIP, and the issue of Shares on the exercise of the Performance Rights, for no consideration and otherwise on the terms and conditions described in the Explanatory Memorandum, be approved.'

Dated 16 October 2015

By order of the board



Adrian Relf
Company Secretary

Notes

Entitlement to vote

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Board has determined that for the purpose of voting at the meeting or adjourned meeting, Shares will be taken to be held by those persons recorded in the Sedgman register of Shareholders as at 7.00pm (Brisbane time) on Tuesday, 17 November 2015.

Appointment of proxy

If you are a Shareholder and you are unable to attend and vote at the Meeting, and wish to appoint a proxy, please complete and return the enclosed Proxy Form. A proxy need not be a Shareholder of Sedgman.

The Proxy Form must be completed and together with the power of attorney (if any) under which the Proxy Form is signed, lodged at Sedgman's share registry at:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001

Fax: 1800 783 447 (within Australia) or + 61 3 9473 2555 (outside Australia);

by no later than 10:00am (Brisbane time) on Tuesday, 17 November 2015.

A Shareholder entitled to attend and cast more than two votes at the Meeting is entitled to appoint no more than two proxies to attend and vote. Where more than one proxy is appointed, each proxy should be appointed to represent a specified proportion of the Shareholder's voting rights. Failure to apportion voting rights will result in each proxy being entitled to vote half of the Shareholder's votes.

A corporation who is a Shareholder or which has been appointed as a proxy may appoint an individual to act as a representative in accordance with section 250D of the Corporations Act, in which case the Company will require written proof of the representative's appointment. Proof of appointment must be lodged with or presented to the Company before the Meeting unless it has previously been provided to the Company's share registry, Computershare. Further instructions can be found on the Proxy Form.

Where a proxy and a Shareholder both attend the Meeting, the proxy is not revoked by the Shareholder attending and taking part in the meeting, unless the Shareholder actually votes at the meeting on the resolution for which the proxy is proposed to be used.

If you have any queries on how to cast your votes you can call the Company Secretary on + 61 7 3514 1000 during business hours.

How undirected proxies held by the Chair of the meeting will be voted – Resolution 1

If you appoint the Chair of the Meeting as your proxy and you do not specify in the Proxy Form the manner in which you wish the Chair to vote on the resolutions to be considered at the meeting, you expressly authorise the Chair to vote in accordance with the voting intentions of the Chair to vote in favour of all resolutions. In particular, if you do not direct the Chair how to vote on Resolution 1, you expressly authorise the Chair to vote in favour of Resolution 1 for the adoption of the Remuneration Report even though it is connected with the remuneration of Key Management Personnel.

If you appoint the Chair as your proxy and wish to direct the Chair how to vote on some or all of the resolutions to be considered at the Meeting, you must complete the directed proxy part of the Proxy Form (Step 2 on the Proxy Form).

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on each resolution.

Voting exclusion statement

Resolution 1

Pursuant to Section 250R(4) of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of:

- (a) a member of the Key Management Personnel (whose remuneration details are included in the Remuneration Report); or
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (c) it is cast by the person who is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (d) it is cast by the Chairman of the meeting and the appointment of the Chairman as proxy:
 - i. does not specify the way the proxy is to vote on the resolution; and
 - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolutions 6 and 7

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on:

- (a) Resolution 6 by any person (and any associates of such a person) who may participate in an issue of Performance Rights under the LTIP (and the subsequent issue of Shares on exercise of the Performance Rights), or who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary shares);
- (b) Resolutions 6 and 7 by Mr Peter Watson or his nominee, and any of their associates; and
- (c) Resolution 7 by a director of the Company (except one who is ineligible to participate in the LTIP) and his associates,

unless it is cast:

- (d) by a person as proxy for a member who is entitled to vote, in accordance with the directions on the proxy form; or
- (e) by the Chairman as proxy for a member who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides and the member who is entitled to vote has indicated on the proxy form that the Chairman may vote as a proxy in relation to each resolution to which the voting exclusion relates.

Explanatory memorandum

Sedgman Limited ACN 088 471 667

This Explanatory Memorandum forms part of the Notice.

Ordinary business

Financial statements and reports

The Corporations Act and the Constitution require that the report of the Directors, the Auditor's report and the financial reports be presented at the Annual General Meeting.

Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on such reports. However, Shareholders will be given a reasonable opportunity to raise questions with respect to these reports at the Meeting.

Shareholders may also submit written questions to the Company's auditor (KPMG), if the question is relevant to the content of the Auditor's Report, or the conduct of its audit of the Annual Report for the year ended 30 June 2015. Please send any written questions for KPMG to the Company Secretary by email (mail@sedgman.com), fax 07 3514 1999 or post PO Box 1801, Milton BC, QLD, 4064, by no later than 5.00 pm (Brisbane time) on Thursday, 12 November 2015.

Resolution 1: Adoption of Remuneration Report

The Board has submitted the Remuneration Report to Shareholders for consideration. Pursuant to section 250R of the Corporations Act, the Company is required to put a resolution to Shareholders to adopt the Remuneration Report. The Remuneration Report is contained in the Annual Report. It is also available on the Company's internet site (www.sedgman.com). The Remuneration Report:

- (a) explains the board's policies in relation to the nature and level of remuneration paid to Directors, and senior executives;
- (b) discusses the link between the board's policies and the Company's performance;
- (c) sets out the remuneration details for each Director and for each member of the Company's Key Management Personnel; and
- (d) makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives, including executive Directors.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Company's proposed action in response or explain why no action has been taken.

Voting restrictions

Members of the Key Management Personnel and their Closely Related Parties are restricted from voting on Resolution 1, in any capacity, except as described below (**Voting Restriction**).

The Voting Restriction does not apply where the Chairman or any other member of the Key Management Personnel is appointed in writing (by a Shareholder who is not subject to the Voting Restriction) as a proxy with specific instructions on how to vote on a resolution to adopt the Remuneration Report. The Voting Restriction also does not apply if the chair of the Meeting is

appointed as proxy by a person not subject to the Voting Restriction and the appointment does not specify the way the proxy is to vote on Resolution 1 and expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with a member of the Key Management Personnel.

The Chairman intends to vote all available proxies held by the Chairman in favour of all resolutions, including in relation to Resolution 1.

Directors' recommendation

The Directors recommend you vote in favour of Resolution 1. A vote on this resolution is advisory only and does not bind the Company.

Resolution 2: Re-election of Mr Peter Richards

Under rule 16.1 of the Constitution, one third of the current Directors (excluding the managing Director, any Director appointed under rule 13.2 and any Director who has vacated his or her office under rule 15.1) must retire by rotation at each annual general meeting.

In accordance with this rule, Mr Peter Richards retires at the end of the Meeting and being eligible, presents himself for re-election as a non-executive Director.

Experience and expertise

Peter was appointed to the Board in December 2010. He has over 30 years' experience in the mining services and industrial sectors with global companies including BP plc, Wesfarmers, Dyno Nobel Limited and Norfolk Group Limited where he served as Managing Director.

In his time at Dyno Nobel he held a number of senior executive positions in both North America and Asia Pacific. He serves as a director of several ASX-listed companies.

Other current public directorships

Chairman of Cockatoo Coal Limited (since January 2014) and NSL Consolidated Limited (since August 2009). Non-Executive Director of Emeco Holdings Limited (since June 2010) and Bradken Limited (since February 2009).

Special responsibilities

Chairman of the Audit and Risk Management Committee

Directors' recommendation

The Directors (except for Mr Richards) recommend you vote in favour of Resolution 2.

Resolution 3: Re-election of Mr Tony Jacobs

Under rule 16.1 of the Constitution, one third of the current Directors (excluding the managing Director, any Director appointed under rule 13.2 and any Director who has vacated his or her office under rule 15.1) must retire by rotation at each annual general meeting.

In accordance with this rule, Mr Tony Jacobs retires at the end of the Meeting and being eligible, presents himself for re-election as a non-executive Director.

Experience and expertise

Tony was appointed to the Board in 2013 having been nominated by Leighton Holdings. Prior to establishing his consulting business, Tony was the Chief Financial Officer of Leighton Asia Limited from 1992 to 2001 and again from 2008 to 2012 where he was responsible for all financial and

administration matters of the company's operation in Asia. He was also the Chief Financial Officer for Leighton Contractors in Australia from 2002 to 2006. Tony has more than 50 years' experience in the construction and mining industries. He has held senior finance positions in Australia, the USA and Hong Kong for John Holland, Starch International and for Leighton.

Other current public directorships

Director of Blue Dragon Children's Foundation International

Special responsibilities

Member of the Audit and Risk Management Committee

Directors' recommendation

The Directors (except for Mr Jacobs) recommend you vote in favour of Resolution 3.

Resolution 4: Election of Mr Bart Vogel

Mr Vogel was appointed as a Director in February 2015 and, in accordance with rule 13.2 of the Constitution, being eligible, presents himself for election as a non-executive Director.

Experience and expertise

Bart has extensive experience in executive management and strategy consulting in the technology sector and was the CEO of Asurion Australia, a telecommunications services company, until 2014.

Prior to joining Asurion he was a partner of Bain & Company, a global management consulting firm. His corporate advisory work has spanned over 20 years including eight years as a partner at Deloitte.

Bart was previously also the CEO of Lucent Technologies Australia and President of Lucent Technologies Asia Pacific.

Other current public directorships

Non-Executive Director of Macquarie Telecom Group Limited (since July 2014), Non-Executive Director of the Children's Cancer Institute (since July 2007) and Non-Executive Director of Infomedia Ltd (since August 2015).

Special responsibilities

None

Directors' recommendation

The Directors (except for Mr Vogel) recommend you vote in favour of Resolution 4.

Resolution 5: Election of Mr Philippe Etienne

Mr Etienne was appointed as a Director in February 2015 and, in accordance with rule 13.2 of the Constitution, being eligible, presents himself for election as a non-executive Director.

Experience and expertise

Philippe has over 30 years' experience in business management, most recently as Managing Director and CEO of Innovia Security from 2010 until 2014. Prior to leading Innovia Philippe held senior executive roles with global explosives manufacturer Orica including Managing Director Orica Europe and CEO – Mining Services of Orica Limited where he was a member of Orica's executive team.

Philippe served as a board member on the Council on Australian Latin America Relations and has been the Chairman of joint venture companies in Turkey, Estonia and Kazakhstan.

Other current public directorships

Non-Executive Director of Transpacific Industries Group Limited (since May 2014) and Lynas Corporation Limited (since January 2015).

Special responsibilities

Member of the Nominations and Remuneration Committee

Directors' recommendation

The Directors (except for Mr Etienne) recommend you vote in favour of Resolution 5.

Resolution 6 - Approval of Long Term Incentive Plan

Pursuant to Resolution 6 Shareholder approval is sought for the adoption of the Long Term Incentive Plan (**LTIP**), the terms and conditions of which are summarised below and the issue of performance rights (**Performance Rights**) under the LTIP. A previous long term incentive plan was approved by Shareholders at the 2012 AGM. This Resolution 6 seeks approval for this LTIP, which is on similar terms to the previously approved plan.

There have been no previous issues of securities under this LTIP.

Summary of the LTIP

- 1 Under the LTIP, the Company may issue eligible participants with Performance Rights, which entitle the holder to subscribe for or be transferred one fully paid ordinary share in the capital of the Company for no consideration (i.e., at a zero exercise price), subject to the satisfaction of performance conditions specified by the Board. There is no amount payable by a participant in the LTIP for the grant of Performance Rights.
- 2 Those eligible to participate in the LTIP include executive directors, executives and senior employees of the Company and its subsidiaries. Non-executive directors of the Company are ineligible to participate in the LTIP. Currently it is proposed to extend invitations to participate in the LTIP to 18 of Sedgman's executives and senior managers, including the Managing Director. The executives invited to participate, and eligibility to participate, in the LTIP may be amended at the discretion of the Board.
- 3 The Company proposes to make offers of Performance Rights based upon a percentage of the participant's base salary. The number of Performance Rights issued will be based on a two month VWAP calculated over June/July in the year of issue.
- 4 Subject to approval of resolutions 6 and 7 by shareholders, the total number of Performance Rights proposed to be issued to Participants in FY2016 will be 3,636,000 (based on a June/July 2015 VWAP of \$0.729).
- 5 The proposed grant of Performance Rights under the LTIP is summarised below and is further detailed in Annexure A.

Why is Shareholder approval being sought?

Listing Rule 7.1 imposes a limit on the number of equity securities (e.g., shares, options to subscribe for shares or performance rights) that the Company can issue without Shareholder approval. In general terms, the Company may not, without Shareholder approval, issue equity securities representing more than 15% of its share capital in a 12 month period (**15% Limit**).

Pursuant to exception 9(b) of Listing Rule 7.2, an issue of securities under an employee incentive scheme that is approved by Shareholders will not be taken into account when calculating the maximum number of securities that the Company is permitted to issue within its 15% Limit.

Resolution 6 is proposed so that the Company can take advantage of this exception in relation to Performance Rights (and shares issued on exercise of Performance Rights) that are granted under the LTIP.

Other information and Directors' recommendation

Shareholder approval will be required before any Performance Rights can be issued to any Director or related party of the Company under the LTIP, although, as noted above, non-executive Directors of the Company are not eligible to participate in the LTIP. There have been no previous issues of securities under this LTIP.

The Directors recommend you vote in favour of Resolution 6.

Resolution 7: Issue of Performance Rights to Mr Peter Watson under the LTIP

Pursuant to Resolution 7 Shareholder approval is sought for the purposes of Listing Rule 10.14 and for all other purposes, for the grant of Performance Rights under the LTIP to Mr Watson for no consideration.

If approval is given under Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1 for the issue of the Performance Rights to be excluded from the 15% Limit.

Why are Performance Rights being issued?

Under his employment agreement with the Company, Mr Watson's remuneration consists of a fixed component, a short term incentive and the issue of Performance Rights under the LTIP.

Subject to Shareholder approval being obtained, the Company proposes to issue Performance Rights to Mr Watson under the LTIP during FY2016, FY2017 and FY2018 which, if all performance conditions are satisfied, will entitle him to be issued Shares for no consideration. It is proposed that the Performance Rights granted to Mr Watson will represent the long term incentive component of his remuneration. In determining the number of Performance Rights to be issued to Mr Watson, the Board has considered the nature of Mr Watson's position, current market factors, the incentive schemes offered by the Company's competitors and peers and other relevant advice and information.

Details of Performance Rights to be issued to Mr Watson

If Resolution 7 is approved, the Performance Rights will be issued to Mr Watson under the terms and conditions of the LTIP, which is being put to Shareholders for approval (see Resolution 6 in this Notice). A summary of the LTIP is included in this Notice and accompanying Explanatory Memorandum. The full terms and conditions of the LTIP may be inspected during normal business hours at the registered office of the Company, or may be obtained by contacting the Company Secretary.

The Company proposes to grant Mr Watson up to a maximum of 1,800,000 Performance Rights under the LTIP, for no consideration. The Company proposes to make offers of Performance Rights to Mr Watson up to a maximum of 70% of his base salary in a given year of issue. The number of Performance Rights issued in any given year will be determined by dividing 70% of Mr Watson's base salary by the two month VWAP calculated over June/July in the year of issue.

Subject to the approval of Resolutions 6 and 7 by Shareholders, the Company proposes to issue 576,000 Performance Rights to Mr Watson (based on a June/July 2015 VWAP of \$0.729) in FY2016.

Should the maximum number of Performance Rights required to be issued to Mr Watson during the three year approved term of this LTIP be expected to exceed the amount approved under this Resolution 7, shareholder approval for any additional amount will be sought prior to issue in accordance with Listing Rule 10.14.

Under the LTIP, each Performance Right will be issued for no consideration and with a nil exercise price and, if exercised, will entitle Mr Watson to acquire one Share (subject to adjustment under the terms of the LTIP). Performance Rights granted to Mr Watson will be eligible to vest subject to satisfaction of applicable performance and other conditions.

Performance Rights issued to Mr Watson will vest and may be exercised if:

- (1) all applicable performance conditions relating to the Performance Rights have been satisfied (see below);
- (2) the Board in its discretion determines that a vesting event as defined by the LTIP terms and conditions has occurred (such as a takeover bid for or winding up of the Company); or
- (3) the Performance Rights otherwise vest in accordance with the terms of the LTIP (for example, see below regarding cessation of employment).

If a participant in the LTIP dies, is disabled, retires or is made redundant, or in other circumstances approved by the Board, and at that time the participant continues to satisfy any other conditions imposed by the Board, the Board may allow some or all of the Performance Rights granted to the participant to vest or to continue to be held under the LTIP. If no determination is made by the Board within three months after the participant ceases to be an employee, the Performance Rights granted to that participant will lapse.

If a participant ceases to be an employee for any other reason, for example, because their employment is terminated for poor performance or misconduct, then all Performance Rights, which are not exercised, held by the participant will lapse immediately.

Performance Rights will also lapse if: the relevant performance conditions attaching to them are not satisfied, if there is a purported transfer of the Performance Rights, or if a participant acts fraudulently or dishonestly or is in breach of his or her obligations to the Company or any related body corporate.

Details of performance hurdles

The number of Performance Rights that will actually vest and become exercisable by Mr Watson will depend on whether, and the extent to which, the performance conditions applicable and other applicable terms and conditions of the LTIP, are satisfied.

The performance measure to be applied to Performance Rights issued to Mr Watson is relative Total Shareholder Return (**TSR**).

TSR is the return to shareholders provided by share price appreciation plus dividends (which are assumed to be reinvested) over the performance period, expressed as a percentage of the share price from 1 July in the year of issue until 30 June in the third year after issue (**Performance Period**), as determined from time to time by the Board. At the end of the Performance Period the Board will rank Sedgman's TSR against a peer group that currently comprises 19 other companies considered by the Board to be peers or competitors of the Company. The purpose of the peer group is to provide an external benchmark to enable a comparison of the Company's performance relative to its peers and competitors. The percentage of Performance Rights that will vest and become exercisable will depend on Sedgman's TSR performance relative to the companies in the peer group (as determined by the Board), as set out in the table below:

Sedgman TSR Ranking (at end of Performance Period)	Percentage of Performance Rights that vest
1 – 5	100%
6	90%
7	80%
8	70%
9	60%
10	50%
11 – 20	Nil

The Board have also nominated an additional five replacement companies (“the reserve group”). Where a company in the peer group is delisted, merges or ceases to be suitable for comparative purposes, it will, subject to the Board’s discretion, be replaced by a company from the reserve group. The peer group and reserve group may be varied from time to time by the Board in its absolute discretion.

Why is Shareholder approval required?

Listing Rule 10.14 provides that an entity must not permit any directors, or any associate of a director, to acquire securities under an employee incentive scheme, without the prior approval of its shareholders. As Mr Watson is an executive Director, the proposed issue of Performance Rights to him under the LTIP requires the prior approval of the Company’s Shareholders under Listing Rule 10.14.

Other Information and Director’s recommendation

Those eligible to participate in the LTIP include executive Directors. Non-executive Directors are ineligible to participate in the LTIP. Mr Watson is the only executive Director of the Company.

Since the original LTIP was approved in 2009, Performance Rights have been issued to the following Directors:

Name	Number of Performance Rights	Acquisition Price
Mr Mark Read	3,694,525	Nil
Mr Nicholas Jukes	3,780,000	Nil
Mr Peter Watson	1,331,683*	Nil

*490,000 Performance Rights were issued to Mr Watson in November 2013, prior to his appointment as a Director. This issue did not require shareholder approval under Listing Rule 10.14 because Mr Watson was not a Director at the time of issue.

Of the Performance Rights previously issued to executive directors (excluding Mr Watson), 7,225,525 did not meet vesting conditions, and as a consequence have been cancelled.

It is proposed that the issue of Performance Rights to Mr Watson under this Resolution 7 will be under the LTIP.

No loan is being provided by the Company to Mr Watson in relation to the issue of any Performance Rights.

Subject to Resolution 7 being passed, the Company intends to issue the Performance Rights the subject of the Resolution 7 to Mr Watson within three months of the date of the Annual General Meeting.

In accordance with the requirements of Listing Rule 10.15A, details of any Performance Rights issued under the LTIP will be published in each annual report of the Company relating to a period in which Performance Rights have been issued together with confirmation that the issue of the Performance Rights issued to Mr Watson (or any other applicable person) was obtained under Listing Rule 10.14.

Any additional persons who become entitled to participate in the LTIP after the resolution is approved and who are not named in this Notice of Meeting will not participate in the LTIP until approval is obtained under Listing Rule 10.14.

Directors’ Recommendation

The Directors (other than Mr Watson) recommend you vote in favour of Resolution 7. As Mr Watson has a personal interest in Resolution 7, he makes no recommendation in relation to it.

Glossary of terms

Annual General Meeting or **Meeting** means the annual general meeting of the Company to be held on 19 November 2015.

Annual Report means the annual report of the Company for the year ended 30 June 2015.

ASX means ASX Limited ACN 008 624 691 or the stock market that it operates, as the context requires.

Auditor means the auditor of the Company.

Board means the board of Directors of the Company.

Chairman means the chairman of the Company from time to time and includes an acting chairman.

Closely Related Party of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the regulations made under the Corporations Act.

Company or **Sedgman** means Sedgman Limited ACN 088 471 667.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company from time to time and Director means any one of them.

Explanatory Memorandum means the explanatory memorandum to the Notice.

Key Management Personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

LTIP means the Long Term Incentive Plan to be approved by the Shareholders at the 2015 Annual General Meeting, the terms of which are summarised in the Explanatory Memorandum.

Notice means the notice of meeting convening the Meeting.

Proxy Form means the proxy form accompanying this Notice.

Remuneration Report means that part of the report of the Directors for the financial year ended 30 June 2015 dealing with the remuneration of the Key Management Personnel included in accordance with section 300A of the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company, the terms of which are contained in the Constitution.

Shareholder means the holder of the Shares from time to time.

Annexure A – Summary of terms and conditions of the LTIP

Purpose of the LTIP

- 1 The purpose of the LTIP is to align the interests of participants in the LTIP with the interests of the Company's Shareholders by rewarding participants for creating shareholder value. Those executives to whom it is proposed to make offers under the LTIP are those executives whose responsibilities the Board considers provide them with the opportunity to significantly influence long-term shareholder value. The LTIP is intended to:
 - (1) reward high performance and to encourage a high performance culture across the Company;
 - (2) provide the Company with the means to compete for talented staff by offering remuneration that includes an equity based component, like many of its competitors;
 - (3) assist with the attraction and retention of key personnel; and
 - (4) aligns executive remuneration directly with shareholder returns.

Details of Performance Rights

- 2 An invitation to participate in the LTIP, the particular conditions on which Performance Rights will be granted and the number of Performance Rights to be granted to a participant, is at the discretion of the Board. Consistent with the objectives outlined above, the Company has granted Performance Rights (**Current Grant**) to a maximum of 18 participants chosen from the executive and senior management group.
- 3 For the purposes of the Current Grant, the number of Performance Rights in a particular tranche that actually vest and become exercisable by a participant will depend on whether, and the extent to which, the performance conditions applicable to that tranche, and other applicable terms and conditions of the LTIP, are satisfied. These are described below.
- 4 The performance measure to be applied to Performance Rights issued pursuant to the Current Grant is relative Total Shareholder Return (**TSR**). TSR is the return to Shareholders provided by share price appreciation plus dividends (which are assumed to be reinvested) over the performance period, expressed as a percentage of the share price at the beginning of the performance period, as determined from time to time by the Board.
- 5 At the end of each performance period the Board will rank Sedgman's TSR against a peer group that currently comprises 19 other companies considered by the Board to be peers or competitors of the Company. The purpose of the peer group is to provide an external benchmark to enable a comparison of the Company's performance relative to its peers and competitors. The percentage of Performance Rights in the relevant tranche that will vest and become exercisable will depend on Sedgman's TSR performance relative to the companies in the peer group (as determined by the Board).

The Board have also nominated an additional five suitable replacement companies ("the reserve group"). Where a company in the peer group is delisted, merges or ceases to be suitable for comparative purposes, it will, subject to the Board's discretion, be replaced by a company from the reserve group. The peer group and reserve group may be varied from time to time by the Board in its absolute discretion.

Rights attaching to Performance Rights

- 6 A Performance Right does not confer an interest in Shares in the Company or the usual rights attached to Shares such as dividend and voting rights. Performance Rights do not confer a right to participate in new issues of capital. If the Company makes a bonus issue, participants whose Performance Rights have not been exercised, will be entitled to an adjustment to the number of Shares that will be issued to them upon exercise of any of those Performance Rights. In the event of a reorganisation of the issued capital of the Company the number of

Shares to which a participant is entitled on the exercise of a Performance Right will be reconstructed as required by the Listing Rules.

- 7 Performance Rights will vest and may be exercised if all applicable performance conditions relating to the Performance Rights have been satisfied (or waived).
- 8 If a participant dies, is disabled, retires or is made redundant, or in other circumstances approved by the Board, and at that time the participant continues to satisfy any other conditions imposed by the Board, the Board may allow some or all of the Performance Rights granted to the participant to vest or to continue to be held under the LTIP. If no determination is made by the Board within three months after the participant ceases to be an employee, the Performance Rights will lapse.
- 9 If a participant ceases to be an employee for any other reason, for example, because their employment is terminated for poor performance or misconduct, then all Performance Rights held by the participant will lapse.
- 10 Performance Rights will also lapse if the relevant performance conditions attaching to them are not satisfied, if there is a purported transfer of the Performance Rights or if a participant acts fraudulently or dishonestly or is in breach of his or her obligations to the Company or any related body corporate.
- 11 Performance Rights may not be transferred except with the consent of the Board. Similarly, a participant must not, except with the prior written approval of the Company, enter into any scheme or arrangement that realises all or part of the value of Performance Rights.
- 12 Shares issued on exercise of Performance Rights will rank equally with all existing Shares then on issue. Participants will be free to deal with shares acquired on exercise of Performance Rights immediately after they are acquired. Unless the terms of invitation to a Participant provide otherwise, the vesting of a Performance Right will automatically trigger the exercise of the Performance Right.
- 13 If a change of control event has occurred (in the opinion of the Board), the Board may declare (with or without conditions):
 - (1) any or a portion of a Participant's Performance Rights be released of any Performance Conditions or other conditions of vesting and that those Performance Rights have vested and are exercisable or are deemed to have been exercised without the need for any action on the part of the Participant; and
 - (2) any Performance Right to be free of any restriction on transfer,
- 14 Performance Rights will not be quoted. The Company will apply to ASX for quotation of Shares issued on exercise of Performance Rights.
- 15 The LTIP will be administered by the Board, who has power to suspend, terminate or amend the plan.
- 16 The full terms of the LTIP are available from www.sedgman.com, or by contacting the Company Secretary.



SEDGMAN
Sedgman Limited
ABN 86 088 471 667



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) 1800 509 686
(outside Australia) +61 3 9415 4000

└ 000001 000 SDM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



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: I999999999

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 10:00 am (Brisbane time) Tuesday 17 November 2015

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

XX

I/We being a member/s of Sedgman 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 Sedgman Limited to be held at **Marriott Hotel, 515 Queen Street, Brisbane on Thursday, 19 November 2015 at 10:00 am (Brisbane time)** 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 **Items 1, 6 & 7** (except where I/we have indicated a different voting intention below) even though **Items 1, 6 & 7** are 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 **Items 1, 6 & 7** 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
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Mr Peter Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director - Mr Tony Jacobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Director - Mr Bart Vogel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Election of Director - Mr Philippe Etienne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

6 Approval of Sedgman Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of securities to Mr Peter Watson	<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

____/____/____