

Corporate Governance Statement

The Board of Directors of SeaLink are responsible for the corporate governance of the Company and its controlled entities (the SeaLink Group), monitors the operational and financial performance of the SeaLink Group, oversees its business strategy and approves its strategic direction. The ASX Listing Rules require listed entities to disclose the extent to which they have followed the best practice recommendations set by the ASX Corporate Governance Council during a reporting period.

This corporate governance statement summarises the corporate governance practices that have been formally reviewed and adopted by the Board with a view to ensuring continued investor confidence in the operations of the Company and endorsing the corporate governance principles relevant to a company of SeaLink's nature and size.

1. Board Responsibilities

The Board is accountable to the Shareholders for the performance of the Company and has overall responsibility for its operations. Day to day management of the Company's affairs, and the implementation of the corporate strategy and policy initiatives, is formally delegated by the Board to the Managing Director, Jeffrey Ellison.

The key responsibilities of the Board include:

- approving the strategic direction and related objectives of the Company and monitoring management performance in the achievement of these objectives;
- adopting budgets and monitoring the financial performance of the Company;
- reviewing the performance of the Managing Director;
- overseeing the establishment and maintenance of adequate internal controls and effective monitoring systems;
- overseeing the implementation and management of effective safety and environmental performance systems;
- ensuring all major business risks are identified and effectively managed;
- ensuring that the Company meets its legal and statutory obligations; and
- ensuring compliance with ASX Listing Rules disclosure requirements.

For the purposes of the proper performance of their duties, the Directors are entitled to seek independent professional advice at the Company's expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as and when required.

Information provided to the Board includes all material information on the SeaLink Group's operations, budgets, cash flows, funding requirements, shareholder movements, assets and liabilities, disposals, financial accounts, external audits, internal controls, risk assessments and new venture proposals.

2. Size and Composition of the Board

The Board of Directors of the Company comprises a Non-Executive Chairman, Managing Director and 5 Non-Executive Directors, particulars of which are as follows:

Giuliano M Ursini	Non-Executive Chairman
Jeffrey R Ellison	Managing Director and Chief Executive Officer
Frederick A Mann	Non-Executive Director
Christopher D. Smerdon	Non-Executive Director
William T. Spurr	Non-Executive Director
Terry J. Dodd	Non-Executive Director
Lucinda Hughes Turnbull AO	Non-Executive Director

The Directors consider the size and composition of the Board are appropriate given the size and status of the Company. However the composition of the Board will be subject to review in a number of ways:

- The Constitution provides that at every annual general meeting, one third of the Directors shall retire from office but may stand for re-election;
- Board composition will be also reviewed periodically either when a vacancy arises or if it is considered the Board would benefit from the services of a new Director, given the existing mix of skills and experience of the Board, which should match the strategic demands of the Company; and
- Remuneration of the non-executive Directors is reviewed and approved by the Board. The maximum aggregate annual remuneration which may be paid to non-executive Directors is currently \$580,000. This cannot be increased without approval of the Company's shareholders. Remuneration of the Managing Director is reviewed and approved on an annual basis by the non-executive Directors.

The Company considers industry experience and specific expertise to be important attributes of its Board members and therefore believes that the composition of the Board is appropriate given the size and development of the Company at the present time.

3. Ethics and Independence

The Board recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity. The Company intends to maintain a reputation for integrity. The Company's officers and employees are required to act in accordance with the law and with the highest ethical standards.

The Board is conscious of the need for independence and ensures that where a conflict of interest may arise, the relevant Director(s) leave the meeting to ensure a full and frank discussion of the matter(s) under consideration by the rest of the Board. Those Directors who have interests in

specific transactions or potential transactions do not receive Board papers related to those transactions or potential transactions, do not participate in any part of a Directors' meeting which considers those transactions or potential transactions, are not involved in the decision making process in respect of those transactions or potential transactions, and are asked not to discuss those transactions or potential transactions with other Directors. Corporate Governance Council Recommendation 2.1 requires a majority of the Board to be independent Directors. In addition, Recommendation 2.2 requires the chairperson of the Company to be independent.

The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement.

In accordance with this definition, William Spurr and Lucy Hughes Turnbull are independent. The following Directors are currently not considered to be independent, due to their substantial shareholdings in the Company.

Name	Position
Giuliano Ursini	Non-Executive Chairman
Jeffrey Ellison	Managing Director
Frederick Mann	Non-Executive Director
Christopher Smerdon	Non-Executive Director
Terry Dodd	Non-Executive Director

When determining the independent status of a Director the Board has considered the relationships affecting independent status under the Corporate Governance Council Recommendations including whether the director is a substantial shareholder of the Company or is an officer or otherwise associated directly with, a substantial shareholder of the Company (all of the above Directors are considered to have an association with a substantial shareholder in the Company).

4. Board Committees

It is the role of the Board to oversee the management of the Company and it may establish appropriate committees to assist in this role.

Each committee has or is required to have a charter approved by the Board, and each committee will maintain minutes of each meeting of the committee, which will be circulated to all Directors.

The Board has an Audit and Risk Committee. At the present time no other committees have been established because of the size of the Company and the involvement of the Board in the operations of the Company.

The Board takes ultimate responsibility for the operations of the Company including remuneration of Directors and executives and nominations to the Board.

5. Audit and Risk Committee

The committee comprises William Spurr (Chairman), Frederick Mann and Christopher Smerdon.

The primary responsibilities of the committee are to:

- assess whether the Company's external reporting is legally compliant, consistent with committee members' information and knowledge and suitable for Shareholder needs;
- assess the management processes supporting external reporting;
- liaise with the external auditors and ensure that the audit review is conducted in an effective manner;
- make recommendations for the appointment or removal of auditors;
- on an annual basis, assess the performance and independence of the external auditors;
- monitor the coordination of the internal and external audits in so far as they relate to the responsibilities of the committee;
- recommend to the Board and then promulgate clear standards of ethical behaviour required of Directors and key executives and encourage observance of those standards;
- recommend to the Board and then promulgate and maintain a sound system of risk oversight and management of internal control which:
 - identifies, assesses, manages and monitors risk;
 - informs investors of material changes to the Company's risk profile; and
- recommend to the Board and then promulgate and maintain a system to ensure compliance with all environmental and occupational health and safety regulations and legislation.

6. Continuous Disclosure

The Company has a policy that all shareholders and investors have equal access to the Company's information. The Board has the responsibility to ensure that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act and ASX Listing Rules.

7. Shareholder Communication

The Board strives to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information will be communicated to Shareholders through:

- annual and half-yearly financial reports and quarterly reports;
- annual and other general meetings convened for Shareholder review and approval of Board proposals;
- continuous disclosure of material changes to ASX for open access to the public; and
- the Company's website, where all media releases are published.

The Auditor is invited to attend the annual general meeting of Shareholders. The Chairman will permit Shareholders to ask questions about the conduct of the audit and the preparation and content of the audit report.

8. Identification and Management of Business Risk

The identification, monitoring and, where appropriate, the reduction of significant risk to the Company will be the responsibility of the Board and the Audit and Risk Committee.

The Board reviews and monitors the parameters under which such risks will be managed. Management accounts are prepared and reviewed with the Managing Director at subsequent Board meetings. Budgets are prepared and compared against actual results. The potential exposures with running the Company have been managed by the appointment of senior staff who have significant broad-ranging industry experience, work together as a team and regularly share information on current activities.

Additionally, it is the responsibility of the Audit and Risk Committee to assess the adequacy of the Company's internal control systems and that its financial affairs comply with applicable laws and regulations and professional practices. The Managing Director and the Chief Financial Officer declare in writing to the Board that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating effectively. This representation is made prior to the Directors' approval of the release of the annual accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

9. Securities Trading Disclosure

The Company has adopted a formal policy for dealing in the Company's securities by Directors, senior management and other employees ("designated persons") with effect from the listing of the Company on the ASX. This sets out their obligations regarding disclosure of dealing in the Company's securities.

The Constitution permits Directors to acquire securities in the Company, however Company policy prohibits designated persons from dealing in the Company's securities at any time whilst in possession of price sensitive information. In addition to this general prohibition, designated persons may not deal in the Company's securities:

- from the close of business on 31 December to the opening of the ASX on the first trading day after the Company's half-year results are released to the ASX; and
- from the close of business on 30 June to the opening of the ASX on the first trading day after the company's full-year results are released to the ASX.

These restrictions are however subject to limited exceptions. Designated persons proposing to deal in the Company's securities must notify the Company of their intention and receive confirmation from the Company to allow them to deal in the Company's securities. In accordance with the provisions of the Corporations Act and the Listing Rules, the Company will advise ASX of any transaction conducted by Directors in the securities of the Company.

10. Diversity

SeaLink recognises that a diverse workforce is an important contributor to achieving the Company's corporate objectives.

SeaLink is committed to ensuring equal employment opportunity for all of its employees and senior management, based on merit, ability, performance and potential, in a way that contributes to the achievement of its corporate objectives, including diversity.

The workforce of the SeaLink Group is made up of individuals with diverse skills, backgrounds and experiences. While SeaLink maintains a commitment to a range of diversity related matters, SeaLink's key focus at present is on achieving gender diversity across its business. The

proportion of female employees, key management executives and Board members are outlined below:

Employee Category	Total	Female Component	Female %
All Employees	646	268	41%
Board	7	1	14%
Key Management Executive Team	6	1	17%

SeaLink Group currently employs 646 employees, 268 of whom are female (representing 41% of the total). The Company currently has 7 Board members, including one female (representing 14% of the total). The Company's key management executive team comprises of 6 executives including one female (representing 17% of the total).

Given the size and development of the Company at the present time, the Company has not yet put in place a formal diversity policy. A draft diversity policy is under development and will shortly be reviewed by the Board. The Company expects the diversity policy to be approved by the Board and in place by 30 June, 2014. The policy will include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them. The policy will further reinforce the Company's commitment to fostering a corporate culture that embraces and values diversity. Once approved, this policy will be made available on the Company's website and the Board will disclose in the Company's annual report for each relevant financial year:

- the measurable objectives for achieving gender diversity set by the Board in accordance with that policy and the progress in achieving those objectives; and
- the proportion of female employees in the SeaLink Group, women in senior executive positions and women on the Board.

11. Departures from ASX Corporate Governance Council "Principles of Good Corporate Governance and Best Practice Recommendations"

The corporate governance practices of the Company are compliant with the ASX Corporate Governance Council's best practice recommendations with the exception of the departures in relation to the following:

- independence of the Board and Audit and Risk Committee; and
- formation of Nomination and Remuneration Committees.

Corporate Governance Council Recommendation 2.1 requires a majority of the Board to be independent Directors. In addition, Recommendation 2.2 requires the chair of the Board to be independent. The Company's Board does not currently comprise a majority of independent Directors and the Chairman of the Board, Giuliano Ursini, is not an independent Director. The Chairman Giuliano Ursini, the Managing Director Jeffrey Ellison, and Non –Executive Directors Frederick Mann, Christopher Smerdon and Terry Dodd, are not considered to be independent because of their association with substantial shareholders of the Company.

However these Directors have an important understanding of the operations of the Company, its opportunities, requirements and risks and hence have significant experience and know-how which benefits the Company.

In recent years, and as the Company has moved towards becoming a listed entity, independent Directors such as William Spurr and Lucy Turnbull have become members of the Board. Given the size and development of the Company at the present time, the Company believes the existing mix of skills, experience and the composition of the Board are appropriate. The composition of the Board will be reviewed periodically to match strategic demands of the Company.

Recommendation 4.2 requires the Audit and Risk Committee to be structured so that it consists of a majority of independent Directors. The Company's Audit and Risk Committee does not currently comprise a majority of independent Directors. Given the present size of the Company, its current stage of development, and the experience of the members of the Audit and Risk Committee with the operations of the Company, the Company believes the composition of the Audit and Risk Committee to be appropriate. The Board will review the composition of the Audit and Risk Committee periodically.

Corporate Governance Council Recommendations 2.4 and 8.1 recommend that the Board establish a separate nomination and remuneration committee comprising of a majority of independent Directors and chaired by an independent Director. At present, the Board has not formerly established a separate nomination and remuneration committee. Given the size of the Company and the experience of majority of the Board members with the in the operations of the Company, the Board believes it is more efficient at this stage to make nomination and remuneration recommendations/ decisions at the Board level. The Board will review the situation periodically having regard to the ASX Listing Rules, the *Corporations Act 2001* and the Company's constitution.