

Corporate Governance Statement

SeaLink Travel Group Limited (**SeaLink**)

Effective July 2015

SEALINK TRAVEL GROUP LTD CORPORATE GOVERNANCE STATEMENT – JULY 2015

The Board of Directors of SeaLink Travel Group Ltd (“SeaLink”) are responsible for the corporate governance of the Company and its controlled entities (the Group), monitoring the operational and financial performance of the Group, overseeing its business strategy and approving 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.

The underlying principles are as follows –

1. Lay solid foundations for management and oversight;
2. Structure the Board to add value;
3. Act ethically and responsibly;
4. Safeguard integrity in corporate reporting;
5. Make timely and balanced disclosure;
6. Respect the rights of shareholders;
7. Recognise and manage risk; and
8. Remunerate fairly and responsibly.

Each of these principles are dealt with in detail below.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AN OVERSIIGHT.

Recommendation 1.1 – Role of the Board and Management

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.

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 Group’s operations, budgets, cash flows, funding requirements, shareholder movements and share pricing, assets and liabilities, disposals, financial accounts, external audits, internal controls, risk assessments and new venture proposals.

Recommendation 1.2 – Director Checks

Once it has been agreed that a new director is to be appointed, a search will be undertaken, sometimes using the services of external consultants. Nominations would then be received and reviewed by the Board. Appropriate checks are undertaken on potential candidates prior to appointment.

Director’s details, including their relevant qualifications and experience, the skills they bring to the Board and details of any other material Directorships are disclosed in the Annual Report and on the Company’s website. Directors are required to table at Board meetings details of new Directorships and any conflicts of interest.

Recommendation 1.3 – Written Agreement with each Director and Senior Executive

Non-Executive Directors are engaged by the Company under letters of appointment and senior executives are engaged under service contracts. These address the roles and responsibilities of individuals.

Details of remuneration and key elements of contracts for Executives are set out in the Remuneration Report in the Annual Report.

Recommendation 1.4 – Company Secretary Accountability

The Company Secretary reports directly to the Board, through the Chairman, on all matters to do with the functions of the Board.

Recommendation 1.5 – Diversity

The Group recognises that a talented and diverse workforce is a key competitive advantage and our success is a reflection of the quality and skills of our people. SeaLink benefits by bringing together high quality people of different gender, age, ethnicity and cultural backgrounds who possess a diverse range of experiences and perspectives.

The Group fosters a culture in which all people treat each other with mutual respect and are recruited, developed and promoted on the basis of merit.

To support its commitment, the Group has adopted a Diversity Policy. Under the Policy, the Board is responsible for establishing measurable diversity objectives and reviewing progress in achieving the objectives on an annual basis. All employees also are responsible for supporting and maintaining SeaLink's corporate culture including its commitment to diversity in the workplace.

The key objectives of this Policy which support SeaLink's corporate objectives aims to –

- Recruit the right people from a diverse pool of high quality candidates. People will be recruited on the basis of competence and performance regardless of age, ethnicity, gender or cultural background;
- Make more informed and innovative decisions, drawing on a wide range of experience and perspectives that employees from diverse backgrounds and different skill sets bring to their roles.
- Provide equal opportunities based on merit.

The following Diversity objectives have been established by the Board, with a goal of achieving these targets by June 2018:

- Increase overall female representation on the Board to 20%;
- Achieve greater than 40% female representation for Key Management Personnel ("KMP") and senior management roles;
- Maintain the proportion of non-senior management positions held by females to over 40%;
- Proactively educate all business leaders around diversity and cultural awareness.

Recommendation 1.6 – Board Performance Assessment

The Board undertakes an informal process of assessment of individual performance of Directors and its Committees along with their composition on an annual basis. During the reporting year, the Board has undertaken an assessment of individual Directors performance through individual discussion between the Chairman and each Director.

Committee composition and performance is reviewed at the annual Board strategic review meeting.

Recommendation 1.7 – Performance Evaluation of Senior Executives

The Board regularly evaluates management's performance against various criteria, and requires senior executives to formally address the Board on execution of strategy and associated issues.

Senior Executive performance is evaluated each year and was undertaken as follows –

- The Chief Executive Officer's performance was undertaken by the Remuneration Committee;
- Senior Executive's performance was reviewed by the Managing Director, with an oversight of their objectives and performance made by the Remuneration Committee.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

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. The Board has an Audit and Risk Committee and a Remuneration and Nomination Committee.

The composition of the committees is as follows:

Nomination and Remuneration Committee (Refer 2.1) - Comprises Messrs Lucy Turnbull (Chairman), William Spurr.

Audit and Risk Committee (Refer 4.1) - Committee comprises Messrs William Spurr (Chairman), Frederick Mann and Christopher Smerdon.

- Each committee has 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.

Recommendation 2.1 – Nomination and Remuneration Committee

The Committee is responsible for the following matters:

- Remuneration policy and any changes to remuneration policy and practices for the key management personnel of the Company and all employees whose remuneration is not determined through Awards or Enterprise Bargaining Agreements;
- The remuneration for the Managing Director and members of the Executive Management Team, being those Executives reporting to the Managing Director;
- Performance based (at-risk) components of remuneration and targets for the Company's financial performance as they relate to incentive plans;
- Allocation made under all equity-based remuneration plans;
- The remuneration for non-executive Directors including the Chairman and Committee Chairs and payments to non-executive Directors for additional duties undertaken on behalf of the Company;
- The review and assessment of the effectiveness of the Company's Remuneration Policy;
- Corporate governance process relating to remuneration;
- The Remuneration Report and process supporting its preparation;
- Board composition and Board skills matrix.

Recommendation 2.2 – Board Skills Matrix

Board composition is reviewed periodically either when a vacancy arises or if it is considered the Board would benefit from the services of a new director. This ongoing assessment is based on giving due consideration to a skills matrix assessment, existing experience of the Board and matching these to the strategic objectives of the Company.

Key skills, knowledge and experience which are considered in the Board skill's matrix are in the areas of –

- Public Company
- Tourism & Transport Industries
- Tourism/Marketing/Sales
- Finance / Accounting
- Risk Management
- Strategic Planning
- Government Relations
- Mergers & Acquisitions
- Legal / Regulatory / Business contracts
- Board Corporate Governance
- Industrial Relations / People Management
- Marine and Asset Knowledge – vessels, buses

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;
- 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 and based on a recommendation of the Remuneration and Nomination Committee.

Recommendation 2.3 and 2.4 – Director's independence.

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 2.4 requires a majority of the Board to be independent directors. In addition, Recommendation 2.5 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, Mr Andrew McEvoy (Chairman), Mr William Spurr, Mr Frederick Mann and Mrs Lucy Hughes Turnbull are independent. The following Directors are not considered to be independent due to them being substantial shareholders (holding more than 5% of Issued Capital).

Name	Position
Jeffrey Ellison	Managing Director
Christopher Smerdon	Non-Executive Director
Terry Dodd	Non-Executive Director

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.

Recommendation 2.5 – Independent Chairman and Managing Director

The Chairman is an Independent Director and the Chairman and Managing Director are separate persons.

Recommendation 2.6 – Company induction and professional development of Directors

The Company has an established program for the induction of new Directors. This induction covers all aspects of the business including the provision of information, past meeting details, business plans, access to Senior Management and site visits to ensure that the new Director can fulfil their responsibilities.

The Directors, the Board and any Board Committee may seek external professional advice, as considered necessary, at the Company's expense, with the consent of the Chairman and assistance from the Company's Secretary. If appropriate, any advice received will be made available to all Directors.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1 – Code of Conduct

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 standards expected of employees include:

- Compliance with all company policies, procedures, rules, and contractual obligations;
- Compliance with all relevant industry legislative requirements in the performance of all duties;
- Adherence to appropriate Professional Codes of Practice and/or Ethics;
- Compliance with all reasonable and lawful instructions of Managers/Supervisors;
- Observation of occupational health and safety rules, responsibilities and practices at all times;
- Adherence, to the confidentiality of any information, records or other sensitive material acquired, during the course of employment and/or after the cessation of employment with the Company;
- Honesty and fairness in all dealings with customers, clients, co-workers, management and the general public;
- Respect for all Company equipment, supplies and property;
- Not to make any unauthorised statements to the media about the Company's business (requests for media statements must be referred to the appropriate manager/supervisor or responsible person);
- No displays of aggression or fighting in the workplace;
- No offensive language and/or behaviour in the workplace;
- No unlawful discrimination or harassment in the workplace;
- Not to consume or be under the influence of alcohol or other drugs whilst in the workplace with reference to in house functions exceptions detailed in the Alcohol and Other Drugs Policy.

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 only deal in the Company's securities at any time subject to the following exclusions:

- 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.

Dealing in the Company's Securities by Designated Persons outside the above trading window(s) is prohibited.

In addition, 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.

This policy was updated and approved by the Board on 22nd July, 2014.

A copy of this policy is contained on the SeaLink website at www.SeaLinktravlegroup.com.au

PRINCIPLE 4 – SAFEGUARDING INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1 – Audit and Risk Committee

This Committee provides assistance to the Board in fulfilling its corporate governance responsibilities in relation to the Company's effectiveness of its control environment in the areas of business risk, financial risk, and compliance with legal/regulatory requirements.

The Audit and Risk Committee's primary responsibilities 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 and internal control which:
 - Identifies, assesses, manages and monitors risk; and
 - 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.

Recommendation 4.2 – Financial Declarations from the Managing Director and CFO

The Managing Director and CFO are required to make a declaration that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards, and to provide assurance that the declaration is founded on a safe system of risk management and internal controls, and that the system is operating efficiently in all material respects.

Recommendation 4.3 – External Auditors

The policy of the Company and the Audit Committee is to appoint an external auditor which clearly demonstrates quality and independence. The performance of the auditor is assessed by the Audit and Risk Committee annually.

The external auditor is required to attend the AGM and be available to answer any shareholder questions about the conduct of the audit and the preparation and the content of the audit report.

PRINCIPLE 5 – MAKING TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 – Disclosure Policy

The Company has a policy that all shareholders and investors have equal access to the Company's price sensitive 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.

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 is communicated to Shareholders through:

- Annual and half-yearly financial 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.

Shareholders are invited to raise any queries through the Company Secretary.

PRINCIPLE 6 – RESPECTING THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1 – Information on the website

The Company provides information about itself and governance to investors via its website which includes the Company's Corporate Governance Statement.

The website also includes links to copies of its annual reports and financial statements, ASX announcements, Notices of Meetings as well as an overview of the Company's business activities.

The Company's "Corporate" website can be located at www.SeaLinktravelgroup.com.au

SeaLink's financial calendar is also available via the 'Investor Centre' at this address.

Shareholders are able to access information relevant to their holding via SeaLink's appointed share registry services company, Boardroom Limited. Their website is at www.boardroomlimited.com.au.

Recommendation 6.2 – Investor relations

The Board strives to ensure that Shareholders are provided with sufficient information to assess performance of the Company and its Directors and to make well-informed decisions. As required under the ASX listing rules covering continuous disclosure, SeaLink will immediately disclose any information that a reasonable person would expect to have a material effect on the value of its securities.

The Company's main objectives are for concise communication and easy access to information. This is communicated to Shareholders through-

- Annual and half-yearly accounts.
- Reports and Presentations associated with AGM's, half and full year's results.
- 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.

Recommendation 6.3 – Participation at Shareholder meeting

The Chairman will permit Shareholders to ask questions about SeaLink's business operations, the remuneration report, the conduct of the audit and the preparation and content of the audit report and other items of business at the AGM.

SeaLink will request the External Auditor to attend the AGM to be able to answer any shareholder questions about the conduct of the audit and the preparation and the content of the audit report.

Recommendation 6.4 – Electronic Communication

Shareholders, who have made an election, receive communication including the Company's Annual Report on the Company's website or by email. The Company has the capability to communicate with Shareholders electronically through its website, email communications and via the share registry. Electronic contact details are provided on the Company's website.

PRINCIPLE 7 – RECOGNISING AND MANAGING 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.

Recommendation 7.1 – Risk Committee

The Audit and Risk Committee is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

Refer Section 4.1 for a complete list of responsibilities.

The Audit and Risk Committee members are all required to possess sufficient technical expertise and industry knowledge to fulfil the functions of the Committee. It is composed of at least 3 Directors, the majority of who are independent, and it is chaired by an independent Director. Details of the relevant qualifications and experience of the members of the Committee and the number of times the Committee has met are detailed in the Annual Report.

Recommendation 7.2 – Annual Risk Review

Management report to the Board on the effectiveness of the Company's material business risks. The risk management framework is reviewed at least annually by the Audit and Risk Committee.

The Managing Director and the Chief Financial Officer are required to make a declaration in accordance with Section 259A of the Corporations Act that the Company's financial statements present a true and fair view of all material aspects of the Company's financial condition and operational results and are in accordance with relevant accounting standards. They also provide assurance that the declaration is funded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects.

Recommendation 7.3 – Internal Audit

The Company does not have a formal internal audit function. However, the Company Management periodically undertakes an internal review of key financial systems and processes through an internal audit program. Where required, external consultants are used to support this program and will report to the Audit and Risk Committee as well as Company Management.

Delegations of Authority are reviewed annually by the Audit and Risk Committee and approved by the Board.

Recommendation 7.4 – Sustainability Risks

The Board is regularly briefed by management and involved in discussions in relation to material exposure to economic, environmental and social sustainability risks facing the Company.

As part of the Group risk structure, management operates a Group Risk Committee which reviews all material risks covering all business units. Risk assessments are undertaken using an agreed framework where risk ratings are assigned.

Risks which are assessed include economic, environmental and sustainability risks.

Members of the Group Risk Committee include amongst others the Managing Director, Chief Financial Officer, Chief Information Officer, Group Risk Officer and the National Marine Fleet Manager.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 – Nomination and Remuneration Committee

The Nomination and Remuneration Committee reviews and makes recommendations on Director and senior executive remuneration and overall staff remuneration and incentive policies. Refer Section 2.1 for specific responsibilities.

The Nomination and Remuneration Committee has 2 members, both whom are independent. Details of the relevant qualifications and experience of the members of the Committee and the number of times the Committee has met are detailed in the Annual Report.

Recommendation 8.2 – Disclosure of Remuneration Policies and Procedures

SeaLink's remuneration policy ensures that remuneration packages properly reflect the person's duties and responsibilities, and the remuneration is competitive in attracting, retaining and motivating people of suitable quality.

The Nomination and Remuneration Committee reviews and makes recommendations on Director and senior executive remuneration and overall staff remuneration and incentive policies. When making recommendations, the Committee aims to design policies that attract and retain the executives needed to run the Company successfully and to motivate executives to pursue appropriate growth strategies whilst aligning shareholder return with remuneration.

Remuneration for executives typically comprises a package of fixed and performance based components. The committee may, from time to time, seek advice from specialist remuneration consultants so as to ensure that the Board remains informed of benchmarks, market trends and practices, and did so this financial year.

Remuneration comprises of several key elements:

- Fixed remuneration;
- Annual performance incentives; and
- Where a specific business need arises, retention incentives are offered through options or retention bonuses.

There is no requirement for either the Managing Director or Key Management Personnel to hold shares in the Company.

Executive remuneration and the terms of employment are reviewed annually having regard to personal and corporate performance, contribution to long-term growth, relevant comparative information and independent expert advice. As well as base salary, remuneration packages include superannuation, performance related bonuses and may include fringe benefits.

The Company does not subscribe, at a senior level, to the philosophy of excessive 'at risk components' at a cash salary level but seeks to reward employees with a market competitive base rate. It considers that employment should be 'at risk' if performance does not deliver results or is at an unacceptable level.

Performance related remuneration for key management during the 2014-15 financial year was tied to Company profitability.

All remuneration paid to Directors and executives is measured at the cost to the Company and expensed. Shares provided to Directors and executives are valued as the difference between the market price and the amount paid for those shares.

Recommendation 8.3 – Policy on Equity based Remuneration Schemes

The Company did not have an equity based remuneration scheme for its employees or Directors. Share options are used sparingly as an incentive to retain, reward and attract candidates of suitable quality.

The Company's Securities Trading Policy specifically prohibits Directors, officers and employees from entering into transactions or arrangements which limit the economic risk of unvested entitlements under an employee share scheme. A copy of the Company's Share Trading Policy can be found at www.SeaLinktravelgroup.com.au

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 ASX Corporate Governance Council's best practice recommendations with the exception of the departures in relation to the following:

- Size of the Nomination and Remuneration Committee.

Approved by the Board 27th July, 2015