

Skydive the Beach

GROUP LIMITED

ACN 167 320 470



NOTICE OF ANNUAL GENERAL MEETING

FRIDAY 6 OCTOBER 2017



Skydive the Beach Group Limited

ACN 167 320 470

Notice of Annual General Meeting

The 2017 Annual General Meeting (AGM) of Skydive the Beach Group Limited (the Company) will be held as follows:

Date: Friday 6 October 2017

Time: 12 Noon (AEDT)

Venue: Bird & Bird
Level 11, 68 Pitt Street
Sydney NSW 2000

Explanatory Notes

All the material in this Notice of Meeting (**NOM**) should be read in conjunction with the Explanatory Notes.

Please read the Explanatory Notes carefully.

If you are in doubt about any part of the business of the AGM, please consult your professional advisers or one of the Company Secretaries, Mr Anthony Ritter on 1300 338 803 or Mr John Diddams on 02 9953 0512.

Voting Information & Proxy Form

Please read the Voting Information section carefully to understand your voting eligibility.

A Direct Voting/Proxy Form is included with this NOM.

ORDINARY BUSINESS

Financial and Other Reports

Item 1

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2017.

Re-election of Directors

To consider and, if thought fit, separately pass each of the following ordinary resolutions:

Item 2 – Resolution 1

That **Mr. John Diddams**, who retires in accordance with Clause 11.5 of the Constitution, and, being eligible, offers himself for re-election, is re-elected as a Director of the Company.

Board Recommendation

*The Board, other than Mr. Diddams, considers that it is in the best interests of shareholders that Mr. Diddams remains on the Board and **recommends that you vote IN FAVOUR** of Mr. Diddams re-election.*

Remuneration Report

To consider and, if thought fit, to pass the following non-binding ordinary resolution:

Item 3 – Resolution 2

That the **Remuneration Report** contained in the Directors' Report for the financial year ended 30 June 2017 be adopted.

Board Recommendation

*The Company is of the opinion that it does not pay any executives or employees excessively and the Board is confident that remuneration levels reflect the current market levels. The Board considers that all remuneration payments made by the Company are reasonable and appropriate having regard to the need to engage and retain capable executives and staff to manage the Company's operations. The Board **recommends that you vote IN FAVOUR of adopting the Remuneration Report.***

Ratification of Share Issue

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

Item 4 – Resolution 3

That, for the purpose of ASX Listing Rule 7.4, and for all other purposes, holders of ordinary securities ratify the issue of 833,333 fully paid ordinary shares in the Company on the terms set out in the Explanatory Notes.

Board Recommendation

*The Board considers that it is in the best interests of shareholders that the Company retains the flexibility to issue further equity securities from time to time up to its full rolling 12 month 15% placement capacity and **recommends that you vote IN FAVOUR** of ratifying this issue of shares.*

Additional 10% Placement Capacity

To consider and, if thought fit, pass the following **special resolution**:

Item 5 – Resolution 4

That, for the purpose of ASX Listing Rule 7.1A, and for all other purposes, approval be given for the Company to be able to issue additional equity securities totalling up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed by ASX Listing Rule 7.1A.2, and on the terms set out in the Explanatory Notes.

Board Recommendation

*The Board considers that it is in the best interests of shareholders that the Company have the flexibility to be able to issue equity securities pursuant to an additional 10% placement capacity and **recommends that you vote IN FAVOUR** of approving this additional placement capacity.*

Change of Name of the Company

To consider and, if thought fit, pass the following **special resolution**:

Item 6 – Resolution 5

That, for the purpose of section 157 of the Corporations Act 2001 (Cth) (**Act**) and for all other purposes, the name of the Company be changed to **Experience Co Limited** and the Constitution of the Company be amended to reflect the change of name of the Company.

Board Recommendation

*The Board considers that it is in the best interests of shareholders that the Company change its name to reflect the nature and strategic value of the operations of the Company and **recommends that you vote IN FAVOUR** of approving this resolution to change the name of the Company.*

EXPLANATORY NOTES

These Explanatory Notes form part of the NOM and are intended to assist your consideration of the business proposed at the AGM.

ORDINARY BUSINESS

Item 1 – Financial and Other Reports

The *Corporations Act 2001* (Cth) (**Corporations Act**) requires the Financial Report, the Directors' Report and the Auditor's Report for the last financial year that ended before the AGM, be laid before the AGM. The Constitution also provides for those reports and financial statements to be received and considered at the AGM.

Neither the Corporations Act nor the Constitution requires a vote of shareholders at the AGM on the reports or financial statements.

However, you will be given a reasonable opportunity to comment or raise questions on the reports and the financial statements and on the business and management of the Company.

You may also ask questions of the Company's auditors who will attend the AGM.

Item 2 - Resolution 1 – Re-election of Mr. John Diddams

Under Clause 11.5 of the Constitution of the Company, one third of the Directors must retire at each AGM, and no Director can hold office for more than three years or past the third AGM following the Director's appointment, whichever is the longer.

Mr. John Diddams will retire and, being eligible, seeks re-election as a Director.

Mr. John Diddams qualifications and experience are as follows:

B Com, FCPA, FAICD

Mr Diddams is the principal of an Australian CPA firm that provides companies with corporate advisory services. He has extensive knowledge and practical experience in the application of Australian corporations law, ASX Listing Rules, international accounting standards and corporate governance principles.

Over the past 25 years Mr Diddams has managed the processes to raise capital, perform due diligence and seek ASX listing for a number of companies, including IPOs for a wide range of diverse offerings. These include oil and gas interests, food and retail, a fine wool processing plant, an innovative telephony product, a biotech company, an Internet advertising initiative, a dental device for snoring and sleep apnoea, an indoor skydiving company, the NZ developer of the Martin Jetpack, NZ based Volpara Health Technologies and most recently, Oliver's Real Food Limited.

He is currently a Non-executive Director of ASX-listed Volpara Health Technologies Limited, a global company that facilitates the early detection of breast cancer through its digital health solutions (ASX: VHT) and is also a Non-executive Director of Olivers Real Food Limited, an healthy & organic fast food chain operating in Australia (ASX: OLI).

Mr Diddams is also a Non-Executive Director and deputy chair of House with No Steps, a not-for-profit organisation that supports 3,000 people to make the most of their abilities.

He is Chair of the Audit and Risk Committee and is based in Sydney, Australia.

Board Recommendation

*The Board, other than Mr. Diddams, considers that it is in the best interests of shareholders that Mr. Diddams remains on the Board and **recommends that you vote IN FAVOUR** of Mr. Diddams re-election.*

Item 3 - Resolution 2 – Remuneration Report

The Corporations Act requires the Directors to prepare the Remuneration Report set out in the Annual Report.

Pursuant to section 250R(2) of the Corporations Act, Directors must put to the AGM a resolution to adopt the Remuneration Report. Section 250R(3) of the Corporations Act provides that the vote on this resolution is advisory only and does not bind the Directors or the Company.

Shareholders will be given a reasonable opportunity to comment or raise questions on the Remuneration Report at the AGM.

Board Recommendation

*The Company is of the opinion that it does not pay any executives or employees excessively and the Board is confident that remuneration levels reflect the current market levels. The Board considers that all remuneration payments made by the Company are reasonable and appropriate having regard to the need to engage and retain capable executives and staff to manage the Company's operations. The Board **recommends that you vote IN FAVOUR of adopting the Remuneration Report.***

Item 4 - Resolution 3 – Ratification of Share Issue

On 30 May 2017, the Company announced that it had completed a transaction to acquire an information technology implementation, maintenance and support business which has provided services to the Company for more than 10 years.

As part of the consideration for the acquisition, the Company issued to Kevin Whithnall 833,333 fully paid ordinary shares at a deemed issue price of \$0.60 per share.

ASX Listing Rules

ASX Listing Rule 7.1 requires that shareholder approval for an issue of equity securities be obtained if, over a rolling 12 month period, the number of equity securities issued is more than 15% of the number of ordinary securities on issue at the start of that 12 month period (excluding any issue of equity securities issued with shareholder approval, among other exceptions) **(15% Placement Capacity)**.

ASX Listing Rule 7.4 permits a prior issue of securities made without approval under ASX Listing Rule 7.1 to be ratified by the holders of ordinary securities, in order to refresh the Company's 15% Placement Capacity, provided that at the time the issue was made, the issue was made within that 15% Placement Capacity.

By a ratification of the issue of shares the subject of this resolution 3, the Company will retain the flexibility to issue further equity securities from time to time up to the Company's full 12 month rolling 15% Placement Capacity, as calculated by ASX Listing Rule 7.1, without the need to obtain further shareholder approval.

Information Required by ASX Listing Rule 7.5

Pursuant to ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of shares the subject of this resolution 3:

- (a) 833,333 fully paid ordinary shares were issued;
- (b) Each share was issued at a deemed issue price of \$0.60 per share;
- (c) The shares were each fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing shares;
- (d) The shares were issued to Kevin Whithnall who is not a related party of the Company; and
- (e) The shares were issued as consideration for the acquisition of an information technology implementation, maintenance and support business which has provided services to the Company for more than 10 years.

Board Recommendation

*The Board considers that it is in the best interests of shareholders that the Company's retain the flexibility to issue further equity securities in the future up to its full rolling 12 month 15% placement capacity and recommends that you vote **IN FAVOUR** of ratifying this issue of shares.*

Item 5 - Resolution 4 – Additional 10% Placement Capacity

Summary

ASX Listing Rule 7.1A allows eligible companies to issue an additional 10% of the Company's issued capital over a 12 month period provided approval by way of a special resolution is received from the holders of ordinary securities at an annual general meeting (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's standard 15% Placement Capacity, as calculated by ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company confirms it is an eligible entity and is seeking the approval of holders of ordinary securities by way of a special resolution at this AGM to confer the Company with the additional flexibility offered by the Additional 10% Placement Capacity.

The number of equity securities able to be issued under the Additional 10% Placement Capacity is determined in accordance with the formula prescribed by ASX Listing Rule 7.1A.2.

The Company is seeking to have the flexibility conferred by the Additional 10% Placement Capacity to allow it to engage in potential future fundraising opportunities that may arise from time to time.

Detailed Description of ASX Listing Rule 7.1A

Shareholder Approval

The ability for the Company to issue equity securities under the Additional 10% Placement Capacity is subject to the approval of holders of ordinary securities by way of a special resolution at an annual general meeting.

Equity Securities

Any equity securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of equity securities. The Company, as at the date of this NOM, has on issue one class of quoted equity securities, namely, fully paid ordinary shares.

Formula for Calculating the Additional 10% Placement Capacity

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained the approval of holders of ordinary securities at an annual general meeting may issue or agree to issue, during the 12 month period following the date of the relevant annual general meeting, the number of equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A = the number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue,

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under ASX Listing Rule 7.1 or ASX Listing Rule 7.4; and
- less the number of fully paid ordinary securities cancelled in the 12 months.

D = 10%

E = the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

The ability for an entity to issue equity securities issued or agreed to be issued under ASX Listing Rule 7.1A is in addition to the entity's 15% Placement Capacity, as calculated under ASX Listing Rule 7.1.

As at the date of this NOM, the Company has on issue 434,877,669 fully paid ordinary shares and therefore has the capacity to issue:

- 65,231,650 equity securities pursuant to ASX Listing Rule 7.1 (subject to the Company's ratification of the Company's issue of fully paid ordinary shares the subject of resolution 3); and
- subject to resolutions 3 and 4 being passed, 43,487,766 equity securities pursuant to ASX Listing Rule 7.1A.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated as at the date of issue or date of agreement to issue the equity securities in accordance with the formula prescribed by ASX Listing Rule 7.1A.2, referred to above.

Information Required by ASX Listing Rule 7.3A

Pursuant to ASX Listing Rule 7.3A, the following information is provided in relation to the approval of the Additional 10% Placement Capacity:

- (a) The equity securities issued pursuant to the Additional 10% Placement Capacity will be issued at an issue price of not less than 75% of the volume weighted average market price of the Company's quoted fully paid ordinary shares, calculated over the 15 trading days on which trades in that class were recorded immediately before:
- the date on which the price at which the equity securities are to be issued is agreed; or
 - if the equity securities are not issued within 5 trading days from the date referred to immediately above, the date on which the equity securities are issued.
- (b) An issue of equity securities under ASX Listing Rule 7.1A.2 involves the risk of economic and voting dilution for existing ordinary security holders, including a risk that:
- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A; and
 - the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

The table below displays the potential dilution of existing holders of ordinary securities:

DILUTION				
Variable "A" in ASX Listing Rule 7.1A.2 ¹	Dilution Variable	\$0.31 (50% decrease in the Deemed Market Price)	\$0.62 (Deemed Market Price) ²	\$0.93 (50% increase in the Deemed Market Price)
434,877,669	Additional 10% shares issued	43,487,766 ³ (rounded to nearest)	43,487,766	43,487,766
	Funds raised	\$13,481,207.46	\$26,962,414.92	\$40,443,622.38
652,316,503 ⁴ (50% increase)	Additional 10% shares issued	65,231,650 ⁵	65,231,650	65,231,650
	Funds raised	\$20,221,811.50	\$40,443,623	\$60,665,434.50
869,755,338 (100% increase)	Additional 10% shares issued	86,975,533 ⁶	86,975,533	86,975,533
	Funds raised	\$26,962,415.23	\$53,924,830.46	\$80,887,245.69

¹ Refer to the formula prescribed by ASX Listing Rule 7.1A.2 above regarding how Variable "A" is calculated. As noted above, the Company's current Variable "A" is subject to the ratification of the Company's issues of fully paid ordinary shares the subject of resolution 3.

² The closing price of the fully paid ordinary shares traded on ASX as at 21 August 2017

³ Rounded down to nearest share.

⁴ Rounded down to nearest share.

⁵ Rounded down to nearest share.

⁶ Rounded down to nearest share.

In addition to the assumptions contained in the footnotes corresponding to specific items in the above table, the table has also been prepared based on the following further assumptions and qualifications:

- the Company issues the maximum securities available under the Additional 10% Placement Capacity;
 - the table does not demonstrate any examples of dilution that may be caused to a particular shareholder by issues under the Additional 10% Placement Capacity, and each shareholder should consider their individual dilution as a result of their specific circumstances;
 - the table only demonstrates the effect of issues of equity securities under the Additional 10% Placement Capacity, and does not consider placements that may be made by the Company pursuant to its 15% Placement Capacity in addition to, or instead of, issues pursuant to the Additional 10% Placement Capacity;
 - the price of ordinary shares is deemed for the purpose of the table above to be \$0.62, being the closing price of the Company's ordinary shares traded on the ASX as at 21 August 2017 and is indicative only; and
 - the table does not demonstrate the effect of the issue of quoted or unquoted options, which are other types of equity securities, under the Additional 10% Placement Capacity. It only considers the issue of fully paid ordinary shares.
- (c) The Company may issue equity securities under the Additional 10% Placement Capacity from the date of this AGM, and expiring on the earlier of the following:
- 12 months from the date of this AGM; and
 - the date of approval by holders of ordinary securities of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature of scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking).
- (d) The Company may issue equity securities under the Additional 10% Placement Capacity for a variety of purposes, including the following:
- non-cash consideration for the acquisition of new assets and investments in relation to the expansion of the Company's adventure tourism business as new opportunities arise, including the possible acquisition of other adventure tourism businesses, and equipment and supplementary equipment required to undertake adventure tourism activities, including, but not limited to, aircraft. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
 - cash consideration for the acquisition of new assets and investments in relation to the expansion of the Company's adventure tourism business as new opportunities arise, including the possible acquisition of other adventure tourism businesses, and equipment and supplementary equipment required to undertake adventure tourism activities, including, but not limited to, aircraft and working capital.
- (e) The allottees to whom equity securities may be issued under the Additional 10% Placement Capacity have not yet been determined, but it may include existing shareholders, or new shareholders who are not related parties or associates of a related party of the Company. Further, the Company may engage its Additional 10% Placement Capacity to issue equity securities to the vendors of assets or investments, which the Company may seek to acquire.

- (f) In the 12 months preceding the date of this AGM, the Company has issued a total of 38,576,319 equity securities (all of which are fully paid ordinary shares), representing 9.49% of all equity securities on issue at the commencement of that period (comprising 396,301,350 ordinary shares and 10,300,000 options).
- (g) In respect of the equity securities issued by the Company in the 12 months preceding the date of this AGM.

	Issues in previous 12 months	
Date of issue	20 October 2016	8 May 2017
Number of equity securities issued	37 742 986	833,333
Class and terms of equity securities	Fully paid ordinary shares in the Company ranking equally with all other ordinary shares of the Company	
Names of allottees or basis on which allottees were determined	Issue pursuant to an accelerated non-renounceable entitlement offer to the then existing institutional/sophisticated shareholders via an institutional offer, and a retail entitlement offer to the then existing eligible retail shareholders	Kevin Whithnall
Issue price and discount on closing market price on date of issue	Issue price of \$0.52 per share, being a discount of 10% on the closing market price on the date of issue	Deemed issue price of \$0.60 per share, being a discount of 7.6% on the closing market price on the date of issue
Total cash consideration, amount spent, what cash was spent on, and intended use of remaining cash (if any)	\$19,626,353 All of this amount has been spent on the acquisition of all of the shares in Reef Magic Cruises Pty Ltd, associated assets and the costs of making those acquisitions	N/A
Non-cash consideration paid and the current value of that non-cash consideration	N/A	The non-cash consideration of goodwill and intangible assets associated with the acquisition of an information technology implementation, maintenance and support business. The value of that non-cash consideration remains at \$500,000.

Board Recommendation

*The Board considers that it is in the best interests of shareholders that the Company have the flexibility to be able to issue equity securities pursuant to an additional 10% placement capacity and **recommends that you vote IN FAVOUR** of approving this additional placement capacity.*

Item 6 - Resolution 5 – Change of Name of the Company

Resolution 5 seeks the approval of the shareholders to a change of the Company's name from "Skydive the Beach Group Limited" to "Experience Co Limited". This change of name has been proposed as the Board believes it reflects the nature and strategic value of the operations of the Company.

Pursuant to section 157 of the Act, if a Company wishes to change its name, it must:

- (a) pass a special resolution adopting the new name; and
- (b) lodge an application with ASIC within 14 days of its passing.

The passing of the resolutions described in the Notice of Meeting and this Explanatory Memorandum will satisfy the requirement referred to in the paragraph above.

Upon the approval by the Shareholders of the change of the Company's name, it is proposed that the ASX Listing Code of the Company be changed to "EXP", noting that the ASX has reserved such ASX Listing Code for the Company.

Board Recommendation

*The Board considers that it is in the best interests of shareholders that the Company change its name to better reflect its current activities and **recommends that you vote IN FAVOUR** of approving this resolution to change the name of the company.*

VOTING INFORMATION

General

The required quorum for the meeting is at least three members present in person or by proxy.

Voting will be decided on a show of hands unless a poll is demanded by the chair or a member or members entitled to do so before the vote is taken or before or immediately after the declaration of the result on a show of hands.

On a show of hands, every member will have one vote.

On a poll, each member will have one vote for each share held by that member and in respect of which that member is entitled to vote.

If shares are jointly held and more than one of the joint holders vote, only the vote of the holder whose name appears first in the register of members will be counted.

Majority Required

Resolutions 1 to 3 are ordinary resolutions. Each of these resolutions will be passed if more than 50% of votes cast by shareholders entitled to vote on the resolution are cast in favour of the resolution.

Resolutions 4 and 5 are special resolutions. These resolutions will be passed if more than 75% of the votes cast by shareholders entitled to vote on the resolution are cast in favour of the resolution.

Entitlement to Vote

The Company has determined, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that, for the purpose of entitlement to vote at the AGM, shares will be taken to be held by those who hold them at 7.00pm on 4 October 2017 .

Voting Options

A. In Person

Shareholders may vote by attending the AGM and casting their votes in person.

B. Proxy or Attorney

If you are entitled to vote at the AGM, you may appoint one or two proxies.

If you appoint two proxies:

- you may appoint each proxy to represent a specified proportion of your voting rights; or
- if you do not specify the proportion or number of your votes that each proxy may exercise, each proxy may exercise half of your votes.

A proxy need not be a shareholder of the Company.

A Proxy Form accompanies this NOM: please follow the instructions on the form.

The Proxy Form must be signed by you or by your attorney.

Proxies given by corporations must be signed under seal or under the hand of a duly authorised officer or attorney.

To be valid, the form appointing the proxy and the power of attorney or other attorney (if any) under which it is signed (or an attested copy) must be either lodged at the Registered Office of the Company or received at the facsimile number appearing on the Proxy Form by 12.00pm (AEDT) on 4 October 2017.

Unless you specifically direct a proxy how to vote, the proxy may vote as the proxy thinks fit, or abstain from voting.

C. Direct

A direct vote allows shareholders to vote on resolutions considered at the AGM by lodging their votes with the company prior to the AGM, without the need for the shareholders to attend the meeting or appoint a proxy.

You must mark either “For”, “Against” or “Abstain” for each item of business on the voting form for a valid direct vote to be recorded on that item.

Please note that a shareholder who has cast a direct vote may attend the AGM; however, their attendance and registration cancels the direct vote unless the shareholder instructs the Company or the share registry otherwise.

To be valid, the voting form must be either lodged at the Registered Office of the Company or received at the facsimile number appearing on the Proxy Form by 12.00pm (AEDT) on 4 October 2017.

Voting by Corporations

In order to vote at the meeting (other than by proxy – see above for instructions), a corporation that is a shareholder must appoint a person to act as its representative.

The appointment must comply with the Corporations Act. A letter of representation must be either lodged with the Share Registry prior to the commencement of the meeting, or the representative must bring to the meeting evidence of his or her appointment including any authority under which it is signed.

Proxy Voting by Chair

The Chair of the meeting will vote undirected proxies **IN FAVOUR** of all the resolutions.

Voting Exclusions

Resolution 2 - Adoption of Remuneration Report

The Company will disregard any votes cast on Resolution 2 by or on behalf of any of the Company’s key management personnel details of whose remuneration are included in the Remuneration Report and an associate of those persons. However, the entity need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 – Ratification of Share Issue

The Company will disregard any votes cast on resolution 3 by or on behalf of any person who participated in the issue the subject of resolution 3 and an associate of those persons. However, the entity need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Additional 10% Placement Capacity

The Company will disregard any votes cast on resolution 4 by or on behalf of any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and an associate of those persons. However, the entity need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further Information

Shareholders should direct their queries to the Company Secretary of the Company on 1300 338 803 or by email at companysecretary@skydive.com.au

By order of the Board



Anthony Ritter
Company Secretary
4 September 2017

Skydive the Beach Group Limited
ACN: 167 320 470

Corporate Directory

Directors:	William (Bill) Beerworth, Non-executive Chairman Anthony Boucaut, Managing Director Anthony Ritter, Executive Director and CEO Colin Hughes, Non-executive Director John Diddams, Non-executive Director
Company Secretaries:	Anthony Ritter and John Diddams
Registered Office:	Level 1, 51 Montague Street North Wollongong NSW 2500
Principal Place of Business:	Level 1, 51 Montague Street North Wollongong NSW 2500
Lawyers:	Bird & Bird Level 11, 68 Pitt Street Sydney NSW 2000
Auditors:	RSM Australia Partners Level 12, 60 Castlereagh Street Sydney NSW 2000
Share Registry:	Boardroom Pty Ltd Level 12, 225 George Street Sydney NSW 2000
Bankers:	Westpac Banking Corporation Level 1, 25 Atchison St, Wollongong NSW 2500 National Australia Bank Limited 118-126 Princes Highway Fairy Meadow NSW 2519
ASX Listing Code:	SKB
Website:	www.skydive.com.au

All correspondence to:

✉	By Mail	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Australia
☎	By Fax	+61 2 9290 9655
💻	Online	www.boardroomlimited.com.au
☎	By Phone	(within Australia) 1300 737 760 (outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded before 12:00pm (AEDT) on Wednesday, 4 October 2017.

💻 TO VOTE ONLINE

- STEP 1: VISIT www.votingonline.com.au/skydivethebeachagm2017
 STEP 2: Enter your Postcode (if within Australia) OR Country of Residence (if outside Australia)
 STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



PLEASE NOTE: For security reasons it is important you keep the above information confidential.

Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE VOTING FORM

The voting form can be used to either vote directly (Section 1) OR appoint a proxy to vote on your behalf (Section 2).

SECTION 1: DIRECT VOTING

If you wish to vote directly, you should clearly mark the box in Section 1 and the boxes in Section 3 to indicate your voting instruction for each resolution. Please only mark either "for" or "against" for each resolution. Do not mark the "abstain" box if you are voting directly. If no direction is given on a resolution, or if you complete both the boxes in Section 1 and 2, your vote may be passed to the Chairman of the Meeting as your proxy. Securityholders, custodians and nominees may identify on the Voting Form the total number of votes in each of the categories "for" and "against" and their votes will be valid. The Chairman's decision as to whether a direct vote is valid is final and conclusive.

SECTION 2: APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Section 2. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting or does not vote on a poll in accordance with your instructions, the Chairman of the Meeting will be your proxy by default. A proxy need not be a Securityholder of the company. Do not write the name of the issuer company or the registered Securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two forms. On each form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

SECTION 3: VOTING DIRECTIONS

To cast your direct vote or to direct your proxy how to vote, place a mark in one of the boxes opposite each resolution. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any resolution by inserting the percentage or number that you wish to vote in the appropriate box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%. If you do not mark any of the boxes on a given resolution, your proxy may vote as he or she chooses (subject to any voting restrictions that apply to your proxy). If you mark more than one box on a resolution for all your securities your vote on that resolution will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the Meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

SECTION 4: SIGN THE FORM

The form must be signed as follows:

Individual: This form is to be signed by the Securityholder.

Joint Holding: where the holding is in more than one name, all the Securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. Please indicate the office held by signing in the appropriate place.

LODGEMENT

Voting Forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the Meeting, therefore by 12:00pm (AEDT) on Wednesday, 4 October 2017. Any Voting Form received after that time will not be valid for the scheduled Meeting.

Voting forms may be lodged using the enclosed Reply Paid Envelope or:

💻 Online	www.votingonline.com.au/skydivethebeachagm2017
📱 By Smartphone	Scan the QR Code
☎ By Fax	+61 2 9290 9655
✉ By Mail	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
👤 In Person	Boardroom Pty Limited Level 12, 225 George Street, Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address

is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

☐

VOTING FORM

SECTION 1: DIRECT VOTING

☐

I/We being a Securityholder/s of Skydive the Beach Group Limited (Company) and entitled to attend and vote hereby elect to vote directly at the Annual General Meeting of the Company to be held at Bird & Bird, Level 11, 68 Pitt Street, Sydney NSW 2000 on Friday, 6 October, 2017 at 12:00pm (AEDT) and at any adjournment of that Meeting.

SECTION 2: APPOINTMENT OF PROXY

I/We being a Securityholder/s of Skydive the Beach Group Limited (Company) and entitled to attend and vote hereby appoint:

☐

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered Securityholder) you are appointing as your proxy below

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 at the Annual General Meeting of the Company to be held at Bird & Bird, Level 11, 68 Pitt Street, Sydney NSW 2000 on Friday, 6 October, 2017 at 12:00pm (AEDT) and at any adjournment or of that Meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 2, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 2 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 2). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

SECTION 3: VOTING DIRECTIONS

		For	Against	Abstain*
Resolution 1	Re-election of Mr. John Diddams as a director	☐	☐	☐
Resolution 2	Adoption of the Remuneration Report	☐	☐	☐
Resolution 3	Ratification of Share Issue	☐	☐	☐
	<u>Special Resolutions</u>			
Resolution 4	Additional 10% Placement Capacity	☐	☐	☐
Resolution 5	Change of Name of the Company	☐	☐	☐

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

SECTION 4: SIGN THE FORM

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017