



Your Smile. Our Vision.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of SDI Limited will be held at 10.00 am on Wednesday, 19 November 2014 at SDI Limited, 15 Brunsdon Street, Bayswater, Victoria 3153, Australia.

Business

- (1) To receive and consider the Company's Financial Report and the reports of the Directors and Auditors in respect of the financial year ended 30 June 2014.

There is no vote on this item.

- (2) **Resolution 1:** Re-election of Dr Geoffrey Knight.

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

"That Dr Geoffrey Knight, a Director of the Company retiring in accordance with the Company's Constitution and the ASX Listing Rules and being eligible and having signified his candidature for office be elected as a Director of the Company".

- (3) **Resolution 2:** Re-election of Mr Gerald Bullon.

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

"That Mr Gerald Bullon, a Director of the Company retiring in accordance with the Company's Constitution and the ASX Listing Rules and being eligible and having signified his candidature for office be elected as a Director of the Company".

- (4) **Resolution 3:** Re-election of Ms Samantha Cheetham.

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

"That Ms Samantha Cheetham, a Director of the Company retiring in accordance with the Company's Constitution and the ASX Listing Rules and being eligible and having signified her candidature for office be elected as a Director of the Company".

- (5) **Resolution 4:** Increasing the maximum aggregate amount of fees payable to Directors.

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

"That the maximum aggregate amount of Directors fees' payable to Non-Executive Directors for their services as Non-Executive Directors of the Company be increased from \$200,000 per annum to \$400,000 per annum".

- (6) **Resolution 5:** Remuneration Report.

To receive and consider the Remuneration Report, and if thought fit, pass the following resolution:

"To adopt the Remuneration Report as disclosed in the Annual Directors' Report for the year ended 30 June 2014."

Under the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.



Your Smile. Our Vision.

(7) **General:** To transact any business which may be lawfully brought forward.

By Order of the Board

John J Slaviero

Company Secretary

Dated: 17 October 2014

Entitlement to vote

It has been determined that in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the AGM, shares will be taken to be held by the persons who are the registered holders at 7:00pm Melbourne time on 17 November 2014. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Proxies

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote on his/her behalf. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. A proxy need not be a member of the Company. A proxy form is provided with this notice. Proxies must be lodged with the Registrar of the Company no later than 48 hours before the time of the meeting. Proxies may be lodged in the following manner:

By Mail: Link Market Services
Locked Bag A14
SYDNEY SOUTH, NSW 1235

By Fax: +61 2 9287 0309

By Hand: Link Market Services
Level 12, 680 George Street
SYDNEY, NSW 2000

Online: www.linkmarketservices.com.au

Step 1: Select Investor Login from the right hand menu.

Step 2: Enter "SDI Limited" as the Issuer.

Step 3: Enter your Holder Identifier (which appears under the barcode on the front of your proxy form) and your postcode **or** Country.

Step 4: Enter the security code, read and agree to the terms and conditions by selecting the tick box and click "Login"

Step 5: Select "Voting" from the top menu and follow the prompts to lodge your Proxy.

SDI Limited A.C.N. 008 075 581, A.B.N. 27 008 075 581

Head Office 3-13 Brunston St, Bayswater, P.O. Box 314, Victoria, 3153 Australia **Toll Free** 1 800 337 003 **T** +61 3 8727 7111 **F** +61 3 8727 7222
Info@sdi.com.au www.sdi.com.au Offices and subsidiaries in Brazil, Germany, Ireland and the United States of America.

Annual General meeting – Explanatory Notes

Resolution 1: Re-election of Dr. Geoffrey Knight

Dr. Knight, PhD. is an experienced and world recognized Dental Scientist as well as a practicing Dentist. He has published numerous technical papers related to Dentistry both locally and internationally. Dr. Knight has held senior positions with the Australian Dental Association (Victorian Branch), Australian Society of Periodontology (Victorian Branch), Australian Society of Dental Aesthetics, the Society of Occlusal Studies, and other professional groups.

Dr. Knight has advised SDI for many years in the research and development of its Composite restorative products including Glass Ionomer Cement projects.

Dr. Knight holds a Bachelor of Dental Science and a Master of Business Administration (MBA) from Melbourne University, a Master of Science from London University, and a PhD. from Adelaide University.

Resolution 2: Re-election of Mr. Gerry Bullon

Mr. Bullon has managed his own Investor Relations Consultancy firm, Insor Pty Ltd, since 1996. During this time he facilitated several IPO listings on the ASX including Australian Hospital Care, Sigma Pharmaceuticals and Nick Scali Limited. Mr. Bullon is well known and highly regarded in the Australian financial markets with stockbroking companies, institutional investors and Fund Managers. Since 2002 he has consulted to SDI on various assignments regarding investor relations and has an excellent knowledge of the Company and its strategic direction. He is well versed in Corporate Governance and Public Company responsibilities.

Mr. Bullon has worked in senior executive roles in a number of Public Companies. He is a Fellow of the Australian Institute of Company Directors and prior to coming to Australia in 1968, he studied Accounting and Economics at Strathclyde University in Glasgow, Scotland.

Resolution 3: Re-election of Ms. Samantha Cheetham

Ms. Cheetham has over 20 years of experience in sales and marketing in SDI's group of companies. Ms. Cheetham has been a Director on SDI's Board since 1999. She is responsible for all sales and marketing activities and strategies of the SDI group. Ms. Cheetham holds a Bachelor of Business (Banking & Finance) as well as a Master of Business Administration (MBA).

Resolution 4: Increase in the maximum aggregate amount of fees payable to Directors

ASX Listing Rules and the Company's Constitution require that the maximum aggregate Non-Executive Directors' fees may only be increased by a resolution of Shareholders in a general meeting. The most recent determination was at the Annual General Meeting held on 5th November 2003, where the Shareholders approved an aggregate increase in remuneration from \$100,000 to \$200,000.

More than ten years has elapsed since the last increase. The Directors consider that it is appropriate to increase the maximum amount payable to Non-Executive Directors by a sufficient sum to provide flexibility to enable Non-Executive Directors to be competitively remunerated, and for additional Non-Executive Directors to be appointed in future if required.

Resolution 5: Remuneration Report

Shareholders will be given the opportunity to ask questions at the meeting about the Remuneration Report which is included in SDI's Annual Report 2014.

At the 2013 AGM, 32.7% of eligible votes received supported the adoption of the remuneration report for the year ended 30 June 2013, resulting in a '2nd strike' and a Spill Resolution. 9.1% of eligible votes received supported the Spill Resolution therefore, the resolution did not pass. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Why you should vote in favour of Resolution 5

The Board is satisfied that the Directors and the Key Management Personnel are remunerated adequately according to performance, position responsibilities and market rates.

The Directors unanimously recommend that shareholders vote in favour of Resolution 5.

Section 250R of the Corporations Act

Section 250R of the Corporations Act 2001 ("Corporation Act") requires a resolution that the Remuneration Report to be adopted be put to a vote. The vote on the resolution is advisory only, and does not bind the Directors of the Company. The Remuneration Report is included in the Company's 2014 Annual Report, which sets out details of the Company's Director and Key Management Personnel ("KMP") remuneration.

Under the Corporations Act 2001, if at least 25% of the eligible votes cast on this resolution are against the adoption of the Remuneration Report at two consecutive Annual General Meetings, the Company will be required to put to Shareholders at the second Annual General Meeting a resolution proposing the calling of an extraordinary general meeting to consider the election of Directors of the Company ("spill resolution"). If more than 50% of eligible shareholders vote in favour of the spill resolution, the Company must convene a general meeting ("Spill Meeting") within 90 days after the Spill Resolution is passed.

If the Spill Resolution is passed, all of the Directors who were in office at the date of the approval of the applicable Director's Report, other than the Managing Director, cease to hold office immediately before the end of the Spill Meeting, but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

Shareholders should also note that there are no voting exclusions applicable to the Spill Meeting and existing majority Shareholders of the Company can exercise their voting rights to re-elect the existing Directors of the Company without any changes to the composition of the Board.

Voting Exclusion Statement

In accordance with the Australian Corporations Act, the Company will disregard any votes cast on Resolution 4 (Increase in the maximum aggregate amount of fees payable to Directors), and Resolution 5 (Adoption of the Remuneration Report) by or on behalf of any of the Company's Key Management Personnel (as named in the Remuneration Report for the financial year ended 30 June 2014), and any other persons who are the Company's KMP at the date of the Annual General Meeting or their closely related parties.

However, these restrictions will not apply where a vote is cast by:

- (a) a person if he or she does so as a proxy for a person who is permitted to vote, in accordance with a direction on the proxy form; or
- b) a person chairing the meeting as a proxy for a person who is permitted to vote, and the appointment expressly authorises the Chairman to exercise the undirected proxies.

Accordingly, if you appoint a member of the KMP (other than the Chairman of the meeting) as your proxy, **you should direct your proxy how to vote on Resolutions 4 & 5** by ticking the relevant box next to each Resolution on the proxy form, otherwise they will not be able to cast a vote as your proxy on those Resolutions.

**SDI Limited**

ABN 27 008 075 581

LODGE YOUR VOTE**ONLINE**www.linkmarketservices.com.au

By mail:
SDI Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474

**X99999999999****PROXY FORM**

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

STEP 1**APPOINT A PROXY**☐**the Chairman
of the Meeting
(mark box)**

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

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **10:00am on Wednesday, 19 November 2014 at SDI Limited, 15 Brunsdon Street, Bayswater, Victoria 3153** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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

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

STEP 2**VOTING DIRECTIONS****Resolution 1**

Re-election of Dr Geoffrey Knight

For Against Abstain*

☐ ☐ ☐**Resolution 2**

Re-election of Mr Gerald Bullon

☐ ☐ ☐**Resolution 3**

Re-election of Ms Samantha Cheetham

☐ ☐ ☐**Resolution 4**

Increasing the maximum aggregate amount of fees payable to Directors

For Against Abstain*

☐ ☐ ☐**Resolution 5**

Adoption of the Remuneration Report

☐ ☐ ☐

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

STEP 3**SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

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

SDI PRX401R

HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

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

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

Votes on Items of Business - Proxy Appointment

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

Signing Instructions

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

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

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

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

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

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Monday, 17 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE > www.linkmarketservices.com.au

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



by mail:

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



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**