

GRAND BANKS YACHTS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 197601189E

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at **Hilton Singapore, 581 Orchard Road, Singapore 238883 on Thursday, 31 October 2013 at 10.00 a.m.** to transact the following businesses (see *Explanatory Note (i)*):

Ordinary Business

- 1) To receive and consider the Directors' Report and Audited Accounts for the year ended 30 June 2013 and the Auditors' Report thereon. (Resolution 1)
- 2) To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 2)
- 3) To approve payment of additional Directors' fees of S\$21,430 for the year ended 30 June 2013. (see *Explanatory Note (ii)*) (Resolution 3)
- 4) To approve payment of Directors' fees of S\$229,000 for the year ending 30 June 2014. (2013: S\$169,000) (see *Explanatory Note (iii)*) (Resolution 4)
- 5) To re-elect Mr. Jeffrey Stewart Bland, who is retiring by rotation under Article 86 of the Articles of Association and who, being eligible, offers himself for re-election as an independent Director. (Resolution 5)
- 6) To re-elect Mr. Gerard Lim Ewe Keng, whom being appointed by the Board of Directors after the last annual general meeting, is retiring from office in accordance with Article 88 of the Articles of Association and who, being eligible, offers himself for re-election as a non-executive and non-independent Director. (Resolution 6)
- 7) To note the retirement of Mr. William C. Fink, whom being appointed by the Board of Directors after the last annual general meeting, is retiring from office in accordance with Article 88 of the Articles of Association.
- 8) To elect Mr. Robert William Livingston, who offers himself for election as a non-executive and non-independent Director. (see *Explanatory Note (iv)*) (Resolution 7)
- 9) To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

Special Business

- 10) To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendments:

"THAT authority be and is hereby given to the Directors to:

- (a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this resolution may have ceased to be in force), issue shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force,

provided that:

1. the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph 2 below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 20% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph 2 below);
2. (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph 1 above, the percentage of issued shares, excluding treasury shares, shall be based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that this resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
3. in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association; and
4. (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier." (see *Explanatory Note (v)*) (Resolution 8)

11. To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendments:

"THAT approval be and is hereby given to the Directors to offer and grant awards of fully paid-up shares in the capital of the Company in accordance with the Grand Banks Yachts Limited Performance Incentive Plan and, notwithstanding that the authority conferred by this resolution may thereafter cease to be in force, to allot and issue such shares pursuant thereto granted while the authority conferred by this resolution was in force." (see *Explanatory Note (vi)*) (Resolution 9)

BY ORDER OF THE BOARD

Ler Ching Chua
Company Secretary

Singapore
9 October 2013

Explanatory Notes:

- (i) A member is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not be a member. The instrument appointing a proxy must be deposited at the Company's registered office at 541 Orchard Road, #11-04 Liat Towers, Singapore 238881 not less than 48 hours before the time for holding the Annual General Meeting.
- (ii) Resolution 3 is to approve the payment of S\$21,430 as additional Directors' fees for the financial year ended 30 June 2013, in respect of the two additional Directors appointed on 21 February 2013. The amount approved at the Annual General Meeting on 22 October 2012 for the year ended 30 June 2013 was S\$169,000. If this Resolution is approved, the total Directors' fees for the year ended 30 June 2013 would be S\$190,430.
- (iii) Resolution 4 is to approve the payment of an aggregate S\$229,000 as Directors' fees for the current financial year, commencing on 1 July 2013 and ending on 30 June 2014, to be paid out quarterly in arrears.
- (iv) A copy of Mr. Livingston's curriculum vitae as well as his reason for seeking election to the Board is enclosed together with this notice.
- (v) Resolution 8, if passed, authorises the Directors from the date of this Annual General Meeting up to the date of the next Annual General Meeting, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding 50% of the issued shares, excluding treasury shares, in the capital of the Company on a pro-rata basis to shareholders (of which up to 20% of the issued shares, excluding treasury shares, in the capital of the Company, may be issued on a non pro-rata basis to shareholders). For determining the aggregate number of shares that may be issued, the percentage of issued shares, excluding treasury shares, will be calculated based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that this resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.
- (vi) Resolution 9 authorises the Directors to grant awards under the Grand Banks Yachts Limited Performance Incentive Plan and to allot and issue fully paid-up shares in the capital of the Company, provided that the aggregate number of shares which may be allotted and issued pursuant to the Grand Banks Yachts Limited Performance Incentive Plan shall not exceed 12% of the total number of issued shares in the capital of the Company from time to time. Approval for the adoption of the Grand Banks Yachts Limited Performance Incentive Plan was given by the shareholders at an Extraordinary General Meeting of the Company held on 14 July 2008. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier. This authority is in addition to the general authority to issue shares sought under Resolution 8.