



Seeing Machines Limited

ABN 34 093 877 331

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of the shareholders of Seeing Machines Limited (**the Company**) will be held at the offices of the Company at 80 Mildura Street, Fyshwick ACT 2609, Australia, on **Wednesday 14 November 2018** at **11.00 am** Australian Eastern Daylight Time (AEDT) for the purposes set out below in this Notice of Meeting.

Agenda

Item 1. Financial Reports

To receive and consider the accounts, annual financial report, Directors' report and auditor's report for the Company for the year ended 30 June 2018.

Note – there is no resolution required for this item.

Item 2. Election of Mr Jack Boyer as a Director

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

“That Mr Jack Boyer, having been appointed to be a Director in accordance with Rule 6.2(c) of the Company's Constitution, be elected as a Director of the Company.”

Item 3. Re-election of Mr YK Ng as a Director

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

“That Mr YK Ng be re-elected as a Director of the Company.”

Item 4. Re-election of Mr Les Carmichael as a Director

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

“That Mr Les Carmichael be re-elected as a Director of the Company.”

Item 5. Approval of Termination Benefits for Mr Nick DiFiore

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

“That, for the purposes of satisfying the procedural requirements in sections 200B and 200E of the Australian Corporations Act, approval is given for the Company to provide benefits to Mr Nick DiFiore in connection with Mr DiFiore's retirement from a managerial or executive office with the Company or a related body corporate, on the terms described in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Mr Di Fiore or any person entitled to receive a benefit under this resolution and their associates. However, the Chairman can vote undirected proxies provided that the proxy expressly authorises the Chairman to do so.



Item 6. Directors' Remuneration Cap

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

"That, for the purposes of Rule 6.3(a) of the Company's Constitution, approval be given for a maximum aggregate remuneration for non-executive Directors of A\$700,000 per year, which may compromise (in whole or in part) shares in the Company or other non-cash benefits of an equivalent value."

Voting Exclusion Statement

A member of key management personnel and their closely related parties may not vote as a proxy on this Item if the appointment does not specify how the proxy is to vote. However, the Chairman can vote undirected proxies provided that the proxy expressly authorises the Chairman to do so.

By Order of the Directors

A handwritten signature in black ink that reads "James Palmer". The signature is written in a cursive style.

James Palmer
Company Secretary
17 October 2018



Voting Information

This section explains how shareholders can vote at the Meeting. Part A is for shareholders who have share certificates (i.e., they do not hold depository interests on the AIM market). Part B is for investors who hold depository interests on the AIM market. If you are not sure which Part relates to your shareholding, please contact our share registry, Computershare:

Australia	United Kingdom
Computershare Investor Services Pty Limited GPO Box 2975 Melbourne, Victoria, 3001 AUSTRALIA Phone 1800 850 505 or +61 (0)3 9415 4000 Email web.queries@computershare.com.au Web www.computershare.com	Computershare Investor Services PLC The Pavilions, Bridgwater Rd Bristol BS99 6ZY United Kingdom Phone +44 (0)370 702 0000 Email web.queries@computershare.co.uk Web www.computershare.com

Part A Shareholders who have share certificates

Persons Entitled to Vote

The Directors have determined that the shareholding of each shareholder for the purpose of ascertaining the voting entitlements for the Annual General Meeting will be as it appears in the share register of the Company at 7:00pm AEDT on 12 November 2018. Accordingly, transfers registered after that time will be disregarded in determining shareholders entitled to attend and vote at the meeting.

Proxies

A shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the shareholder. The proxy need not be a shareholder of the Company.

You may appoint a proxy online at www.investorvote.com.au.

Otherwise, to appoint a proxy, shareholders should complete the Proxy Form accompanying this Notice of Meeting. The Proxy Form must be signed by the shareholder or an attorney duly authorised in writing. For the appointment of a proxy to be effective, the Proxy Form, and, if applicable, the power of attorney or other authority (or a certified copy of the relevant document) under which the Proxy Form is signed, must be deposited at the share registry of the Company, Computershare Investor Services Pty. Limited located at Yarra Falls, 452 Johnston Street Abbotsford Victoria 3067 or posted to Computershare Investor Services Pty. Limited GPO Box 242, Melbourne, Victoria 3001, or by facsimile to Computershare on 1800 783 447 (within Australia) or +61 9473 2555 (outside Australia) by 11.00 am AEDT on **12 November 2018**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

In appointing a proxy, shareholders, should consider how they wish to direct the proxy to vote. A shareholder can direct a proxy to vote "for" or "against", or abstain from voting, on the proposed resolution, or can leave the decision to the appointed proxy after discussion at the meeting.

If a shareholder is entitled to two or more votes, he/she may appoint two proxies and may specify on the Proxy Form the proportion or number of votes each proxy is appointed to exercise. If no proportion is specified, each proxy may exercise half of the shareholder's votes.

If the Chairman of the meeting is appointed, or appointed by default, as the proxy of a shareholder, and that shareholder has not directed the proxy how to vote on his/her Proxy Form, that Shareholder acknowledges that the Chairman of the meeting may exercise that proxy, even if he has an interest in the outcome of a particular item of business, and that the votes cast by him other than as proxy would be disregarded because of that interest.

The Chairman of the meeting intends to vote all undirected proxies in favour of each resolution.

If a person has been appointed by a proxy under 2 or more instruments that specify different ways to vote on the resolution, the person may not vote as a proxy on a show of hands. In the case of joint holders, the vote of the holder whose name appears first in the register, whether tendered by proxy, representative or attorney, may be accepted to the exclusion of the votes of the other joint holders.



Part B AIM Depository Interest holders

Persons Entitled to Vote

The Form of Instruction accompanying this Notice of Meeting must be signed by the depository interest holder or an attorney duly authorised in writing and deposited at the office of the Depository, Computershare Investor Services PLC, located at The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 4.00 pm BST on **8 November 2018**. Any Form of Instruction received after that time will not be valid for the scheduled meeting.

CREST Voting

Holders of Depository Interests in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "**CREST Voting Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 4.00 p.m. (BST) on **8 November 2018**.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. Holders of Depository Interests in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the Depository Interest holder concerned to take (or, if the Depository Interest holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time. In this connection, Depository Interest holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.



Explanatory Notes

These Explanatory Notes have been prepared to provide material information to enable shareholders to make an informed decision in relation to the business to be conducted at the Annual General Meeting of the Company. These Explanatory Notes form part of the Notice of Meeting.

Item 1. Financial Reports

The financial report, Directors' report and auditor's report of the Company for the year ended 30 June 2018 are contained in the 2018 Annual Report. These reports were made available on the Company's website and were lodged with the Australian Securities and Investments Commission on 9 October 2018.

The *Corporations Act* requires the financial report, Directors' report and auditor's report to be laid before the Annual General Meeting. There is no requirement either in the *Corporations Act* or the Company's Constitution for shareholders to vote on, approve or adopt these reports. Shareholders will have a reasonable opportunity at the meeting to ask questions about or make comments on these reports and on the management of the Company.

The auditor of the Company is required to attend the Annual General Meeting and will be available to take shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Prior to the meeting, shareholders may also forward written questions to the auditor about the conduct of the audit and the content of the auditor's report. These should be emailed to investors@seeingmachines.com or mailed to the Company Secretary at 80 Mildura Street, Fyshwick ACT 2609 Australia, to be received no later than 5 business days before the Annual General Meeting (i.e. on or before Wednesday 7 November 2018). The Company is required by law to forward all questions to the auditor and the auditor is required to prepare a list of questions that the auditor considers are relevant to the conduct of the audit and the content of the auditor's report. The auditor may omit questions that are the same in substance to other questions, and questions that are not received by the auditor in a timely manner. At the meeting, the Chairman will give the auditor a reasonable opportunity to answer the questions on the list of questions. The list of questions prepared by the auditor will be made available on request to the Company Secretary. In addition, copies of the list of questions will be available at the meeting.

In accordance with the *Corporations Act*, the Company will not be providing shareholders with a hard copy of the Company's Annual Report unless specifically requested to do so. Shareholders may view the Company's Annual Report on its website at <https://www.seeingmachines.com/investors/>.

There is no resolution required for this item of business.

Item 2. Election of Mr Jack Boyer as a Director

Mr Boyer was appointed as a Director and Chairman designate by the Directors of the Company in July 2018. Rule 6.2(c) of the Constitution provides that he holds office only until the end of the next general meeting of the Company following his appointment (being this meeting). Mr Boyer is eligible and has offered himself for re-election at this meeting.

Mr Boyer, aged 58, who is based in the UK and holds US and UK citizenship, is a highly experienced non-executive director with significant expertise in the advanced materials and technology sectors. Mr Boyer is currently non-executive director at Mitie plc, non-executive director of TT Electronics plc, a board member of the Sir Henry Royce Institute for Advanced Materials and Chairman of Academies Enterprise Trust.

In his prior roles, Mr Boyer was Chairman of Ilika plc, non-executive director of Laird plc, Deputy Chairman of the Advanced Materials Leadership Council (BEIS), Council Member of the Engineering and Physical Sciences Research Council and the Innovate UK Energy Catalyst. Mr Boyer also previously founded and



was Chief Executive Officer of several companies in the engineering, telecommunications and biotechnology sectors and prior to this, was an investment banker at Goldman Sachs and a strategy consultant at Bain & Co. In 2015, Mr Boyer was awarded an OBE in the Queen's Honours for his services to the fields of Science and Engineering.

The Directors (other than Mr Boyer) recommend that shareholders vote in favour of this resolution.

Item 3. Re-election of Mr YK Ng as a Director

Rule 6.4 of the Company's Constitution requires that one third, or the number closest to one third, of the Directors of the Company, being the longest serving Directors, retire from office at every Annual General Meeting but are eligible for re-election at that meeting. In light of Rule 6.4, Mr Ng, a Director since 2016, is offering himself for re-election.

On 22 March 2016 the Company announced that it had raised \$12.8 million from a placing with a new strategic investor, V S Industry Berhad (**VSI**), a leading integrated electronics manufacturing services provider. A total of 129,654,000 new ordinary shares in the Company were placed with a VSI subsidiary. VSI's interest represents a stake of 12% in the Company's issued share capital.

As part of this transaction, Mr Yong Kang (YK) Ng, an Executive Director of VSI, joined the board of Seeing Machines as a non-executive director.

Mr Ng, aged 57, has extensive engineering and operations experience in the manufacturing sector with multinational corporations. Based in Johor, Malaysia, Mr Ng has been managing the manufacturing operations of VSI since 2002 and was appointed as executive director in 2005. Mr Ng has a Bachelor of Science in Mechanical Engineering from the National Taiwan University and an MBA from Heriot-Watt University in Edinburgh, UK.

Mr Ng is a member of the Risk, Audit & Finance Committee.

The Directors (other than Mr Ng) recommend that shareholders vote in favour of this resolution.

Item 4. Re-election of Les Carmichael as a Director

Rule 6.4 of the Company's Constitution requires that one third, or the number closest to one third of the Directors of the Company, being the longest serving Directors, retire from office at every Annual General Meeting but are eligible for re-election at the meeting. In light of Rule 6.4, Mr Carmichael, a Director since 2016, is offering himself for re-election.

Mr Carmichael, aged 65 and based in Dallas, is a veteran of the North American transportation and logistics sectors, where he has spent over 40 years of his professional career. Holding numerous senior management and operational positions, he has experience in all aspects of fleet logistics; sales, marketing, operations, business development, and turnaround management. After a proven track record as Vice-President and General Manager of Dedicated Services at Swift Transportation Corporation, Les became CEO of Taylor Companies, the largest independent crude oil transportation company in the US. After retiring as an executive in 2015, Mr Carmichael serves on the board of directors of GlobalTranz, Inc., a venture capital funded, technology focussed, freight forwarding company operating in the US.

Mr Carmichael serves on the People, Culture & Remuneration Committee.

The Directors (other than Mr Carmichael) recommend that shareholders vote in favour of this resolution.



Item 5. Approval of Termination Benefits for Mr Nick DiFiore

Introduction

Mr DiFiore is currently Senior Vice President and General Manager Automotive. This resolution relates to benefits that may be given to Mr DiFiore if his employment is involuntarily terminated without cause.

Under the *Corporations Act*, a company may not give a termination payment or benefit to directors or senior managers which is above a certain amount (in general terms, equal to one year's salary) without shareholder approval.

The Company has agreed with Mr DiFiore (appointed to his current role in May 2017) that if his employment is terminated in certain circumstances, then he will receive termination payments and benefits (including accelerated vesting of equity). The value of these benefits may exceed the cap of one year's salary.

The purpose of this resolution is to seek shareholder approval for these potential termination benefits.

Why is shareholder approval being sought?

The Board seeks shareholder approval under sections 200B and 200E of the *Corporations Act*, so that termination benefits may be paid or provided to Mr DiFiore without breaching the restrictions contained in the *Corporations Act*.

Under section 200B of the *Corporations Act*, the Company must not give a person a benefit in connection with the person's retirement from an office, or position of employment, in a company or related body corporate if:

- the office or position is a managerial or executive office; or
- the person has, at any time during the last three years before his or her retirement, held a managerial or executive office in the company or related body corporate,

unless shareholder approval is obtained under section 200E of the *Corporations Act* for the giving of the benefit (or unless a specified exception applies).

A 'benefit' is defined broadly in the *Corporations Act* to include a payment or other valuable consideration. It also includes the accelerated or automatic vesting of share-based payments on or as a result of retirement from an office or position.

There are exceptions for the provision of certain kinds of benefits, such as statutory entitlements to accrued annual and long service leave and certain benefits within a monetary cap. This monetary cap is, in broad terms, equivalent to one year's annual average base salary of the relevant person over the period during which that person held a managerial or executive office (up to a period of three years).

If a termination benefit is given in excess of what is permitted under the *Corporations Act*, a breach of the *Corporations Act* can occur even if the person receiving the benefit is entitled to the benefit under his or her contractual arrangements.

The Board considers the termination benefits, as provided for in Mr DiFiore's employment agreement, are a cost effective and efficient way to retain and incentivise Mr DiFiore.

In some circumstances where Mr DiFiore ceases to hold an office or position of employment in the Company, his benefits may be within the payment limits or otherwise exempt from the termination benefits provisions under the *Corporations Act*. However, it is not possible to determine in advance the monetary value of the potential benefits that would be received by Mr DiFiore at some point in the future.

Details of termination benefits

This section describes the manner in which the amount or value of the potential termination benefits of Mr DiFiore are to be calculated and the matters, events or circumstances that will, or are likely to, affect the calculation of the value of that benefit. Pursuant to Mr DiFiore's employment agreement, his termination benefits comprise of the following components:



- (a) lump sum cash payment (see paragraph (a) below); and
 - (b) immediate vesting (accelerated vesting) of long-term incentives (LTI) (see paragraph (b) below);
- (together, the **Termination Benefits**)

The Termination Benefits are only payable if Mr DiFiore's termination is:

- involuntary and without cause; or
- due to death or disability.

(together, the **Good Leaver Conditions**)

(a) Lump sum cash payment

If the Good Leaver Conditions are satisfied upon Mr DiFiore's termination, Mr DiFiore will be entitled to a lump sum cash payment (less applicable withholdings) equal to the sum of:

- six months base salary as in effect immediately prior to the termination;
- any current pro-rated short-term incentive scheme (**STI**) payments; and
- earned but unpaid STI payments from the years prior to the year in which Mr DiFiore is terminated.

Mr DiFiore's base salary is reviewed annually following an annual remuneration review and will be in accordance with Seeing Machines' remuneration policy

Mr DiFiore is entitled to receive STI payments in cash where certain performance criteria are met. Mr DiFiore's employment agreement provides that the STI incentive will be equivalent to 50% of Mr DiFiore's base salary. 50% of the STI is moderated through company performance / key performance indicators (**KPIs**) and the remaining 50% of the STI is moderated through business unit / personal performance / KPIs.

Key matters, events or circumstances which will, or are likely, to affect the calculation of the STI payment (and consequently, the Termination Benefits) include:

- Mr DiFiore's total full-time remuneration at the time of termination which will be set on an annual basis following Mr DiFiore's remuneration review and will be in accordance with Seeing Machines' remuneration policy;
- Mr DiFiore's seniority level, role, responsibilities and performance;
- Mr DiFiore's achievement of relevant objectives;
- Mr DiFiore's target STI opportunity for the relevant year which will be set each year by the Board in accordance with Seeing Machines' remuneration policy; and
- the proportion of the financial year served by the executive.

(c) Immediate vesting (accelerated vesting) of long-term incentives (LTI)

If the Good Leaver Conditions are satisfied upon Mr DiFiore's termination, Mr DiFiore will be entitled to immediate vesting (accelerated vesting) of LTIs on a pro-rated basis up to the termination date, plus a further period of six months .

Long-term incentives (LTI) in the form of cash bonuses, equity awards of shares, rights or options, are granted under the Company's Employee Benefits Plan approved by shareholders or any replacement employee equity plans (collectively, **Equity Plans**).



The equity awards granted will ordinarily vest or lapse based on performance and/or service hurdles over a period of two to four years from the grant date.

Mr DiFiore's employment agreement provides that Mr DiFiore is entitled to receive:

- an annual LTI, in the form of 'Performance Rights', with a target value at the award date equivalent to 50% of Mr DiFiore's base salary (**LTI Performance Rights**). These Performance Rights, once earned and vested, entitle Mr DiFiore (for no further payment) to be issued an equivalent number of ordinary fully paid shares in the Company; and
- the right to acquire a total of 11,148,414 share options in the Company vesting in equal installments over four years from 1 October 2016 (**Options**). Once vested, the Options entitle Mr DiFiore to purchase shares for an exercise price per share equal to the volume weighted average price of the Company on the AIM over the 5 trading days immediately prior to the grant date of the Option. The Options have a term of 10 years from the date of grant.

If the Good Leaver Conditions are satisfied upon Mr DiFiore's termination, Mr DiFiore will be entitled to:

- accelerated vesting of the LTI Performance Rights granted on a pro-rated basis up to the termination date plus six months; and
- immediate vesting of the Options over 11,148,414 shares on a pro-rated basis up to termination date plus six months.

Key matters, events or circumstances which will, or are likely to, affect the calculation of the LTI benefit (and consequently, the Termination Benefits) include:

- the type of equity held by Mr DiFiore under Equity Plans, and the terms of the equity offer (for instance, performance rights, which typically do not require any payment by the recipient, compared to Options, which typically require the recipient to pay an exercise price);
- the number of equity rights held by Mr DiFiore under Equity Plans;
- the market price of Seeing Machines shares;
- the financial performance of Seeing Machines; and
- the personal performance of Mr DiFiore each year.

Board recommendation

The Directors recommend that shareholders vote in favour of Resolution 5 for the reasons set out above.

Item 6. Non-Executive Directors' Remuneration

In the 2015 General Meeting, the Shareholders approved the maximum aggregate amount of annual remuneration of A\$450,000 per year, which may comprise (in whole or in part) shares in the Company or other non-cash benefits of an equivalent value, for non-executive Directors' remuneration.

Under the Constitution (rule 6.3(a) (ii)), the Directors remuneration value cannot in any financial year exceed in aggregate the amount or value last determined by the Company in a general meeting.

The Directors propose a maximum aggregate amount of A\$700,000 per year, which may comprise (in whole or in part) shares in the Company or other non-cash benefits of an equivalent value, for non-executive Directors' remuneration. This maximum aggregate amount includes cash payments, superannuation and the value of any equity issued to non-executive Directors as part of their remuneration, but does not include expenses reimbursed or any fees paid to a Director for additional services.

If and when the Directors wish to increase this amount, they will be required to seek shareholder approval.



The proposed increase has been determined following a review of benchmarking data and is essential to enable the Company to continue to be able to attract and retain high quality Directors with appropriate experience, calibre and integrity.

Recommendation

The non-executive Directors have a personal interest in this resolution and accordingly do not make any recommendation to shareholders. The Chairman intends to vote undirected proxies in favour of this resolution.