

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 **Thursday 28 November 2019 at 11.00 am** Australian Eastern Daylight Time (AEDT) for the purposes set out below in this Notice of Meeting.

Agenda

- Item 1. Financial Report, Directors' Report and Auditor's Report**
To receive and consider the Annual Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2019.

There is no resolution relating to this item.

- Item 2. Election of Kate Hill as a Director**
To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Kate Hill be re-elected as a Director of the Company."

- Item 3. Re-election of Dr Rudolph (Rudy) Burger as a Director**
To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Dr Rudolph Burger be re-elected as a Director of the Company."

- Item 4. Approval of Termination Benefits for Mr Paul McGlone**
To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of sections 200B and 200E of the Corporations Act 2001 (Cth), approval is given for the Company to provide benefits to Mr Paul McGlone in connection with Mr McGlone'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

In accordance with section 200E of the Corporations Act, the Company will disregard any votes cast on this Resolution by Paul McGlone and any of his associates. However, the Company will not disregard a vote if:

- a. it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- b. it is not cast on behalf of Paul McGlone or any of his associates.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 4 as a proxy by a member of the Company's Key Management Personnel as at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the Key Management Personnel.



“Key Management Personnel” and **“closely related party”** have the same meaning as set out in the Corporations Act.

By Order of the Board

A handwritten signature in black ink, appearing to read 'S Dalliston', written in a cursive style.

Susan Dalliston
Company Secretary
28 October 2019

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 26 November 2019. 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 **26 November 2019**. Any Proxy Form received after that time will not be valid for the scheduled 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 GMT on **22 November 2019**. Any Form of Instruction received after that time will not be valid for the scheduled meeting.

CREST Voting

Holders of Depositary 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. (GMT) on **22 November 2019**.

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 Depositary 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 Depositary Interest holder concerned to take (or, if the Depositary 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, Depositary 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 Statement

This Explanatory Statement 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. This Explanatory Statement 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 2019 are contained in the 2019 Annual Report. These reports have been made available on the Company's website and were lodged with the Australian Securities and Investments Commission on 25 October 2019.

The *Corporations Act 2001 (Cth)* (**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 Thursday 21 November 2019). 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 Kate Hill as a Director

Ms Hill was appointed as a Director by the Board pursuant to Rule 6.2(c) of the Constitution on 13 December 2018. In accordance with Rule 6.2(c) of the Constitution, Ms Hill retires from office at the conclusion of the AGM and is eligible for election as a Director of the Company.

Kate is a non-executive director of CountPlus Limited (ASX: CUP), where she is the Chair of the Audit and Risk Committee and a member of the Acquisitions Committee. She is also a non-executive director of Elmo Software Limited (ASX: ELO) where she serves as Chair of the Audit and Risk Committee and is a member of the Remuneration and Nominations Committee. She is the Company Secretary of Kazia Therapeutics Limited (ASX: KZA, Nasdaq: KZIA).

Kate had a distinguished 20+ year career with Deloitte Touche Tomatsu as an audit partner where she worked with Australian Securities Exchange (ASX) listed and privately owned clients. She has worked extensively in regulated environments including assisting with Initial Public Offerings, capital raising and general compliance, as well as operating in an audit environment. She held a variety of leadership and executive roles in Deloitte and was the first woman appointed to the Board of Partners of the Australian firm.

Ms Hill is currently Chair of the Board and also Chair of the Risk, Audit & Finance Committee.

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

Item 3. Re-election of Dr Rudolph (Rudy) Burger 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, Dr Rudolph Burger, a Director who was last re-elected in general meeting in 2017, is offering himself for re-election.

Over the past twenty-five years, Dr Burger has founded five digital media technology companies in the US, run a European public company, and served as a senior executive for two global 500 companies. He is widely recognised as an effective, dynamic leader with a proven track record in management, strategic planning, business development, and M&A. Dr Burger is currently Founder and Managing Partner of an investment bank headquartered in California. He also serves as a Board Member of another technology company based in Cambridge, UK. Rudy has a BSc and MSc from Yale University and a PhD from Cambridge University.

Dr Burger is a member of the Risk, Audit & Finance Committee.

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

Item 4. Approval of Termination Benefits for Mr Paul McGlone

Introduction

Section 200B of the Corporations Act (**Act**) restricts the benefits that can be given to persons who hold a 'managerial or executive office' when their employment ends. Under section 200B, a company cannot give a person a benefit in connection with them ceasing to hold a managerial or executive office unless the payment or benefit is no more than, in general terms, one year's average base salary or shareholder approval for the payment of the benefit has been obtained. The term 'benefit' has a broad meaning in the Act and may include benefits resulting from the Board exercising certain discretions it has under the Company's incentive plans upon an executive's employment ending.

Why is shareholder approval being sought?

The Company is seeking shareholder approval to permit the Company, in the event of Mr McGlone's employment ending due to bona fide retirement, redundancy or death or permanent disablement, to pay Mr McGlone certain cash payments and equity benefits should the Board consider it appropriate.

It may be that the benefits provided to McGlone on cessation of employment fall within the payment limits set in the Act. However, it is not possible to determine in advance the monetary value of the potential benefits which may be given to Mr McGlone at some point in the future.

Provided member approval is obtained, the value of the Termination Benefits, described below, will not count towards the monetary cap on termination benefits under the Act.

The approval sought is to enable the Company to operate its remuneration programmes to support the Company's strategy. In particular, the approval will enable the Company to:

- retain and incentivise Mr McGlone appropriately;
- ensure Mr McGlone is treated fairly on cessation of employment, having regard to his contribution to the Company and the circumstances in which he is ceasing employment; and
- attract and retain future key management personnel on market competitive terms.

The Board notes that it is conscious of the need to strike an appropriate balance between ensuring fair treatment of McGlone on cessation of employment and avoiding excessive termination payouts.

If shareholder approval is obtained, this will not guarantee that Mr McGlone will receive any of the termination benefits described here. The Company's purpose in seeking shareholder approval is to preserve the discretion of the Board to determine the most appropriate termination package for Mr McGlone at the time cessation of employment occurs.

Details of termination benefits

This section describes the potential **Termination Benefits** for which shareholder approval is sought and the amount or value of the potential Termination Benefits and the matters, events or circumstances that will, or are likely to, affect the calculation of the value.

Pursuant to Mr McGlone's employment agreement, the potential Termination Benefits which may be payable if Mr McGlone's employment ceases comprise:

- (a) cash payments (see paragraph (a) below);

- (b) immediate accelerated vesting of performance rights or an allocation of cash in respect of the performance rights on a pro rata basis (see paragraph (b) below); and
- (c) immediate accelerated vesting of options (see paragraph (b) below),
(together, the **Termination Benefits**)

The Termination Benefits are only payable if the termination of Mr McGlone's employment is due to:

- bona fide retirement;
- redundancy; or
- death or permanent disablement.

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

(a) Cash payments

If the Good Leaver Conditions are satisfied and the Company elects to give Mr McGlone pay in lieu of notice, Mr McGlone will be entitled to a lump sum cash payment (less applicable withholdings) equal to six months of the base salary that he would have received had he worked during the notice period.

Mr McGlone will also be entitled to receive an annual short term incentive plan (**STI**) payment in cash in the event that at the date his employment terminates, certain annual performance targets and objectives set by and agreed with the Company's Board of Directors (**STI criteria**) have been achieved.

Mr McGlone's employment agreement provides that the value of the STI payment will depend upon the proportion of the STI criteria achieved as detailed in the table below:

Quantum of STI payment (less applicable taxes and withholdings)	Proportion of STI criteria achieved
60% of base salary (For FY20, this is \$300,000)	STI criteria achieved in full and agreed quantitative goals within the STI criteria exceeded by 10%
\$200,000	STI criteria achieved in full
Equivalent to the proportion of the STI criteria achieved	90% or more of STI criteria achieved
Nil	89% or less of STI criteria achieved

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

- Mr McGlone's base salary, which will be reviewed annually in accordance with the Company's remuneration policy;
- Mr McGlone's seniority level, role, responsibilities and performance;
- the proportion of the STI criteria achieved; and
- the proportion of the financial year served by Mr McGlone.

(c) Immediate accelerated vesting of performance rights and options (LTI benefits)

The Company has issued the following securities to Mr McGlone which are subject to the terms of the Company's Employee Benefits Plan approved by shareholders at the Company's 2017 AGM (**Plan**):

- Immediately after the commencement of his employment, Mr McGlone was issued 25 million performance rights (**Performance Rights**). The Performance Rights once vested, entitle Mr McGlone (for no further payment) to be issued an equivalent number of ordinary fully paid shares in the Company.

The Performance Rights vest over five years in equal annual tranches subject to share price targets being achieved at the relevant vesting dates as set out below:

Number of performance rights	Vesting date	Share price target (UK pence)*
5,000,000	1 July 2020	6.1p
5,000,000	1 July 2021	7.6p
5,000,000	1 July 2022	9.5p
5,000,000	1 July 2023	11.9p
5,000,000	1 July 2024	14.9p

*based on the average daily VWAP during the previous 30 trading days

- Mr McGlone has been issued 12,000,000 share options in the Company vesting on 1 July 2022 (**Options**). Once vested, the Options entitle Mr McGlone to subscribe for, acquire and/or be allocated shares for an exercise price per share of 4.41 UK pence. Mr McGlone must exercise the Options within one year of the vesting date otherwise the Options will lapse.

If the Good Leaver Conditions are satisfied, Mr McGlone's contract provides that upon termination of his employment:

- the Company's Board, in its absolute discretion, may partially allow some of Mr McGlone's Performance Rights to be exercised or allocate cash on a pro rata basis having regard to the Company's performance to that point and the likelihood of the applicable share price target being achieved; and
- the Company's Board, in its absolute discretion, may partially allow some of Mr McGlone's Options to be exercised or allocate cash on a pro rata basis having regard to the Company's financial performance to that point.

Mr McGlone's contract further provides that, subject to the AIM Rules and any other applicable legislation, in the event there is a change of control in relation to the Company then:

- if the change of control occurs prior to the 5th and final LTI vesting date applicable to the Performance Rights, the Performance Rights available to be vested at any future LTI vesting date will vest provided that the Company's share price has achieved the future vesting date's corresponding share price target; and
- if the change of control occurs prior to the vesting date for the Options (1 July 2022), the Options available to be vested will vest when the change of control occurs provided Mr McGlone pays the exercise price in respect of the Options.

The amount and value of the Termination Benefits that may be provided to Mr McGlone upon cessation of his employment cannot be ascertained with certainty in advance. Key matters, events or circumstances which will, or are likely to, affect the calculation of Mr McGlone's LTI benefits (and consequently, the value of the Termination Benefits) include:

- the reason for the cessation of Mr McGlone's employment;
- the type of securities held by Mr McGlone, and the terms applicable to the securities (for instance, performance rights typically do not require any payment by the recipient whereas options typically require the recipient to pay an exercise price);
- McGlone's length of service and the period of time which has been completed in respect of performance periods applicable to his incentives at the time he ceases employment;
- the number of equity rights held by Mr McGlone at the time his employment ceases;
- the Company's share price when the value of equity based termination benefits are determined and the performance conditions applicable to those benefits;
- the Company's financial performance;
- the personal performance of Mr McGlone each year; and
- any other factors the Board considers relevant when exercising its discretion.

Board recommendation

The Directors recommend that shareholders vote in favour of Resolution 4 for the reasons set out above.