

SENETAS CORPORATION LIMITED

ACN 006 067 607

Registered Office: 312 Kings Way, South Melbourne, Victoria, 3205

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Senetas Corporation Limited (**Company**) will be held at The Royce Hotel, 379 St Kilda Road, Melbourne on Friday, 22 November 2019 at 10:30 am (Melbourne time).

Business

1 Financial Reports and Statements

To receive and consider the Financial Report of the Company and the Consolidated Financial Statements of the Company and the Company's controlled entities and Reports of the Directors and of the Auditor for the year ended 30 June 2019.

2 Re-election of Directors

To consider and, if thought fit, to pass the following resolutions each as a separate ordinary resolution:

- a) "That Mr Kenneth Gillespie, who retires in accordance with Rule 35(c) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company."
- b) "That Mr Lawrence David Hansen, who retires in accordance with Rule 35(c) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company."

3 Grant of Options to the Managing Director and Chief Executive Officer

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

"That approval is given, for the purposes of ASX Listing Rule 10.14 and all other purposes, for the Company to grant 2,000,000 options to the Managing Director and Chief Executive Officer, Mr Andrew Wilson, on the terms summarised in the Explanatory Memorandum accompanying the Notice of Meeting."

Voting Exclusion

The Company will disregard any votes on Item 3:

- *cast in favour of Item 3 by or on behalf of a director of the Company who is eligible to participate in the Senetas Employee Share Option Plan or any of their associates; or*
- *cast as a proxy by a member of key management personnel (KMP) at the date of the meeting or a closely related party of those KMP,*

unless the vote is cast as a proxy for a person entitled to vote:

- *in accordance with a direction on the proxy form; or*
- *by a person chairing the meeting pursuant to an express authorisation on the proxy form to exercise the proxy as they see fit, even though Item 3 is connected with the remuneration of the KMP.*

4 Remuneration Report

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

"That the Remuneration Report of the Company for the year ended 30 June 2019 be adopted."

Note: the vote on this resolution is advisory only and does not bind the directors or the Company.

Voting Exclusion

The Company will disregard any votes cast on Item 4:

- *in any capacity by or on behalf of a member of KMP whose remuneration details are included in the Remuneration Report for the year ended 30 June 2019 or a closely related party of those KMP; or*
- *as a proxy by a member of KMP at the date of the meeting or a closely related party of those KMP,*

unless the vote is cast as a proxy for a person entitled to vote:

- *in accordance with a direction on the proxy form; or*
- *by a person chairing the meeting pursuant to an express authorisation on the proxy form to exercise the proxy as they see fit, even though Item 4 is connected with the remuneration of the KMP.*

5 Capital Reduction

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

“That approval is given, for the purposes of section 256C of the Corporations Act, and for all other purposes, for the Company to make an equal capital reduction, in the amount of \$0.000462 per share, on the terms summarised in the Explanatory Memorandum accompanying the Notice of Meeting.”

The Explanatory Memorandum and accompanying Notes attached to this Notice are incorporated into, and form part of, this Notice.

Dated this 21 October 2019

By Order of the Board



Brendan Case

Company Secretary

Notes

- (1) Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Board has determined that, for the purposes of this meeting, all ordinary shares in the Company shall be taken to be held by the persons who hold ordinary shares as registered shareholders at 7.00 pm (Melbourne time) on Wednesday, 20 November 2019 (**Effective Time**).
- (2) All holders of ordinary shares in the Company as at the Effective Time are entitled to attend and vote at this meeting and may appoint an individual or a body corporate as proxy to attend this meeting and vote on behalf of the shareholder (provided a valid proxy form is received by the Company by the time specified in paragraph (11) below). Share transfers registered after the Effective Time will be disregarded in determining entitlements to attend and vote at the meeting. Shareholders who are unable to attend the meeting are encouraged to appoint a proxy to attend and vote on their behalf.
- (3) A proxy need not be a shareholder of the Company.
- (4) The proxy form personalised to you and sent with this Notice should be used for this meeting.
- (5) Each shareholder who is entitled to cast 2 or more votes at this meeting may appoint 2 proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a shareholder does not specify the proportion or number of that shareholder's votes each proxy may exercise, each proxy will be entitled to exercise half the votes. An additional proxy form will be supplied by the Company's share registry on request. If you appoint 2 proxies and both proxies attend the meeting, neither proxy may vote on a show of hands.
- (6) If your proxy chooses to vote, he/she must vote in accordance with your directions. If you do not mark a box, your proxy may vote as they choose on that item (subject to any voting restrictions that apply to your proxy). However, members of the KMP (except for the person chairing the meeting) and their closely related parties are not permitted to vote your proxy on Items 3 and 4 unless you have directed them how to vote. Similarly, any associate of a director eligible to participate in the Senetas Employee Share Option Plan will not be able to vote your proxy in favour of Item 3 unless you direct them how to vote. If you intend to appoint such a person as your proxy, please ensure you direct them how to vote on Items 3 and 4.
- (7) You may appoint the Chairman of the Meeting as your proxy. In addition, the Chairman of the Meeting is deemed to be appointed as your proxy where a signed proxy form is returned which does not contain the name of the proxy or where your proxy does not attend the meeting, or where the person appointed on the form has been directed to vote but either does not attend the meeting or does not vote on a poll on the resolution. If the Chairman of the Meeting is your proxy (or becomes your proxy by default), by completing and returning the proxy form you will be taken to have expressly authorised him to exercise your proxy in relation to Items 3 and 4 even though the resolutions are connected directly or indirectly with the remuneration of a member of KMP. The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.
- (8) In the case of an individual shareholder, a proxy must be signed by the individual or his or her attorney duly authorised in writing. In the case of a body corporate which is a shareholder, a proxy must be executed by the body corporate in accordance with the Corporations Act and the body corporate's constitution, or signed by a duly authorised officer/s, agent/s or attorney.
- (9) If a shareholder is a body corporate or appoints a body corporate as a proxy, that body corporate will need to ensure that it:
 - a. appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
 - b. provides satisfactory evidence of the appointment of its corporate representative prior to the start of the meeting (or adjourned or postponed meeting) in the manner specified in paragraph (11). If such evidence is not received, then the body corporate (through its representative) will not be permitted to act.
- (10) If a shareholder appoints an attorney to act on his or her behalf, the instrument appointing the attorney and the authority under which the instrument is signed or a certified copy of it must be received by the Company as specified in paragraph (11).
- (11) To be effective, proxies and powers of attorneys granted by shareholders must be received by the Company by 10:30am (Melbourne time) on Wednesday, 20 November 2019 at the Company's share registry – Computershare Investor Services Pty Limited, in one of the following ways;
 - i. by post – GPO BOX 242, Melbourne, Victoria, 3001;
 - ii. online – www.investorvote.com.au; or
 - iii. for Intermediary Online subscribers only (custodians) – www.intermediaryonline.com

EXPLANATORY MEMORANDUM

Business

ITEM 1 - FINANCIAL REPORTS AND STATEMENTS

The *Corporations Act 2001* (Cth) (**Corporations Act**) requires:

- the reports of the directors and auditor; and
- the annual financial report, including the consolidated financial statements of the Company and its controlled entities for the year ended 30 June 2019;

to be laid before the annual general meeting. The Corporations Act does not require a vote of shareholders on the reports or statements. However, the shareholders as a whole will be given a reasonable opportunity to raise questions or comments on the management of the Company.

Copies of the full financial report can be accessed on the Company's website:

<http://www.senetas.com/investor/annual-reports/>

A reasonable opportunity will also be given to shareholders as a whole at the meeting to ask the Company's auditor questions relevant to 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. Members may submit written questions for the auditor that are relevant to the content of the auditor's report or the conduct of the audit prior to the meeting. These must be submitted no later than 5pm (Melbourne time) on Friday, 15 November 2019 and should be emailed to brendan@casegovernance.com.au or mailed to Mr Brendan Case, Company Secretary, Senetas Corporation Limited, 312 Kings Way, South Melbourne, Victoria, 3205.

ITEM 2 – ELECTION AND RE-ELECTION OF DIRECTORS

2(a) Re-election of Mr Kenneth Gillespie AC DSC CSM to the Board

Mr Ken Gillespie was appointed as an independent non-executive director of Senetas on 30 April 2013. In accordance with Rule 35(c) of the Company's Constitution, Mr Gillespie retires at this meeting and offers himself for re-election.

Mr Gillespie retired from the Australian Army after a distinguished 43 year career rising to Lieutenant General and Chief of the Australian Army. He demonstrated high-order strategic planning, engagement and implementation skills, and excelled in high-command appointments. He was awarded a Companion in the Military Division of the Order of Australia and awarded the Legion of Merit (Commander) by the United States of America. He was also awarded the Meritorious Service Medal (Military) by the Republic of Singapore.

Mr Gillespie currently serves on government, public company and not-for-profit sector organisations' boards. These include the Australian Strategic Policy Institute Council, Naval Group Australia, Airbus Group (Asia Pacific) and the Anzac Research Institute. Mr Gillespie is also a member of the Government Advisory Panel and a member of the advisory board for Veolia Australia and New Zealand.

Recently, Mr Gillespie completed a five-year role as Chairman of the NSW Centenary of Anzac Advisory Council and has been the Defence Industry Advocate for the New South Wales Government. He also completed an independent advisory role to the Premier of NSW.

Currently, Mr Gillespie holds the position of Land Forces 2020 Convenor with the Aerospace Maritime Defence and Security Foundation. He advises government departments and corporations on strategy, infrastructure, leadership, and culture and change management. These include his appointment as Chair of the NSW Government Central West Freight and Transport Task Force.

Mr Gillespie is a successful speaker and supports ex-service organisations. He is an ambassador for national bowel and prostate cancer organisations, White Ribbon Australia and Soldier On.

Mr Gillespie is considered to be an independent director of the Company.

Board recommendation and Chairman's voting intention for Item 2(a)

The Board (with Mr Gillespie abstaining) unanimously recommends that shareholders vote in favour of this item of business.

The Chairman intends to vote all available proxies **in favour** of this item of business.

(b) Re-election of Mr Lawrence David Hansen to the Board

Mr Lawrence David (Dave) Hansen was appointed as an independent non-executive director of Senetas on 28 August 2015. In accordance with Rule 35(c) of the Company's Constitution, Mr Hansen retires at this meeting and offers himself for re-election.

Mr Hansen has had a successful career in leading international IT and data security organisations. He has a strong international M&A and business integration background, having directed world-wide teams since 2005.

Mr Hansen is currently an Operating Executive for Marlin Operations Group, Inc. Mr. Hansen joined Marlin in September 2015. Prior to joining Marlin, Mr Hansen was VP and general manager of Dell Software Group employing 3,000 staff in sales, marketing, channels and services, and oversaw its go to market strategy.

Previously, Mr Hansen was President and CEO of SafeNet Inc. At SafeNet, he led a significant recapitalisation of the company that saw strong growth in revenues and profits before its successful sale to Gemalto NV. Gemalto NV was acquired by Thales earlier this year and is Senetas' global distribution partner.

Mr Hansen's deep knowledge of Senetas' existing and potential global customer base, sales function, product development and innovation program makes him an extremely valuable addition to the Senetas board. Mr Hansen also brings his wealth of global experience in services, products, marketing and business planning.

Mr Hansen also held the role of president and CEO of Numara Software, a \$100 million business, where he oversaw the company's successful sale and integration into BMC Software.

From 2002 to 2011, Mr Hansen held several executive positions with CA Technologies including CIO, GM, Security and GM, Enterprise Products and Solutions.

Mr Hansen is a member of the Senetas Nomination and Remuneration Committee.

Mr Hansen, a Canadian born US citizen, resides in McKinney, Texas.

Mr Hansen is considered to be an independent director.

Board recommendation and Chairman's voting intention for Item 2(b)

The Board (with Mr Hansen abstaining) unanimously recommends that shareholders vote in favour of this item of business.

The Chairman intends to vote all available proxies **in favour** of this item of business.

ITEM 3 – GRANT OF OPTIONS TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

The Board (excluding Mr Wilson) has considered the overall remuneration of the Company's Managing Director and CEO, Mr Andrew Wilson, including short and long-term incentives, and accordingly seeks shareholder approval for the grant of 2,000,000 options (**Options**) to Mr Wilson pursuant to the Senetas Employee Share Option Plan (each of which will allow Mr Wilson to acquire one fully paid ordinary share in the Company) and on the terms and conditions set out below.

The Options will be subject to a service condition and will only provide value to Mr Wilson if the Company's share price exceeds the exercise price at the end of the performance period. Therefore, the grant of Options supports the achievement of the Company's business strategy by linking Mr Wilson's rewards to improvements in the financial performance of the Company and aligning his interests with shareholders.

ASX Listing Rule 10.14 provides that securities may not be issued to a director of a Company without shareholder approval. Subject to shareholder approval, the Options will be granted to Mr Wilson within 12 months of the approval by shareholders. All other directors, being Mr Francis Galbally, Mr Kenneth Gillespie, Mr Lachie Given, Mr Dave Hansen and Mr Philip Schofield are eligible to participate in the Senetas Employee Share Option Plan but will not be eligible to participate in the Options to be granted to Mr Wilson or in their exercise.

Prior to vesting and exercise of the Options, Mr Wilson will not be entitled to dividends or any voting or other entitlements in relation to unexercised Options.

Exercise Price

The exercise price of the options upon vesting is \$0.093. This represents a premium of approximately 20% to the 5 day VWAP of the Company's shares trading on ASX measured at the close of trading on Tuesday 1 October 2019.

Each Option granted entitles Mr Wilson to one fully paid ordinary share in the Company, subject to vesting (on the satisfaction of the Performance Condition described below) and payment of the exercise price. The Board has discretion to prescribe a cashless exercise mechanism.

As the Options form part of Mr Wilson's remuneration, the Options will be granted at no cost to him.

Vesting of Options and Performance Condition

Except in certain circumstances as set out below, the Options will only vest if the Performance Condition has been satisfied. The Options have exercise and vesting terms established by the Nomination and Remuneration Committee and the Board.

The performance period will run for three years from 30 November 2019 to 29 November 2022 (**Performance Period**). 100% of the Options will be eligible for vesting upon 36 months of continued service by Mr Wilson commencing on 30 November 2019 (**Performance Condition**).

Subject to the terms of grant and the circumstances as set out below, all unvested Options will lapse if the Performance Condition is not satisfied.

Any unvested or unexercised Options will expire on the tenth anniversary of the date of issue.

Cessation of employment

All unvested Options will lapse on cessation of employment where Mr Wilson is dismissed without notice, terminated for cause or if Mr Wilson resigns from the Company during the Performance Period, unless the Board determines otherwise.

However, if Mr Wilson ceases to be employed in any other circumstance, including due to retirement, redundancy, death or total and permanent disablement, a pro-rata number of the unvested Options will not lapse but be treated as remaining on foot, based on the proportion of the relevant Performance Period that has elapsed, and remain subject to their original terms, as if Mr Wilson had not ceased employment. The remaining unvested Options will lapse.

The Board retains discretion to vest or lapse some or all Options in all circumstances.

Change of control

At the discretion of the Board and subject to such terms and conditions as the Board may determine, all of the Options may vest in the event of a "change of control" of the Company, or an announcement thereof, prior to the end of the Performance Period. For these purposes "change of control" means where the Board determines that a third party is, or stands to become, entitled to not less than 50% of the Company, including by way of a takeover or placement, and also includes a scheme of arrangement.

Clawback

All Options will lapse, any shares allocated on vesting and exercise will be forfeited, or cash amounts will be required to be repaid in certain circumstances if the Board determines that Mr Wilson has acted fraudulently or dishonestly or is in serious breach of his duty to the Company or in the Board's reasonable opinion has brought the Company into disrepute.

Restrictions on dealing

The Options to be granted to Mr Wilson are conditional and non-transferable; they cannot be hedged, sold, transferred, mortgaged, charged or otherwise disposed of or dealt with prior to exercise. Mr Wilson will be free to deal with the shares allocated on exercise of the Options, subject to the requirements of the Company's Policy for Dealing in Securities.

Source of shares

The Company intends to issue new shares for allocation to Mr Wilson upon exercise of his Options.

Other information

In the event of a bonus issue of securities to members of the Company, no adjustment will be made to the applicable Options nor to the number of shares underlying each Option.

In the event of a rights issue of securities to members of the Company, there will be no adjustment to the number of shares underlying each Option.

Prior to exercise of the Options, Mr Wilson will otherwise not be permitted to participate in new issues of securities in relation to those unexercised Options.

In the event of a reorganisation of capital, the Options will be treated in the manner required by the applicable ASX Listing Rules, as in force at the date of the reorganisation and as appropriate to the type of reorganisation being undertaken.

Mr Wilson has not received and will not receive any loan from the Company in connection with the grant of Options or allocation of any shares on exercise of those Options.

Following the shareholder approval granted at the AGM held 28 November 2018, 2,000,000 Options were issued to Mr Wilson (at no cost) on 21 December 2018.

No securities have been granted to any other director of the Company or any associate of a director under the Senetas Employee Share Option Plan since last shareholder approval relating to ASX Listing Rule 10.14 was received at the 2018 AGM.

If approval is given under ASX Listing Rule 10.14, approval will not also be required under ASX Listing Rule 7.1.

Board Recommendation and Chairman's voting intention for Item 3:

The Board (with Mr Wilson abstaining) unanimously recommend shareholders vote in favour of this item of business.

The Chairman of the Meeting intends to vote all available proxies **in favour** of this item of business.

Voting Exclusion for Item 3

A voting exclusion applies to this Item as set out on page 1 of the notice of meeting.

ITEM 4 – REMUNERATION REPORT

The directors submit the Company's Remuneration Report to shareholders for consideration and adoption by way of a non-binding ordinary resolution. Details of the Company's Remuneration Report are contained in the Directors' Report for the year ended 30 June 2019 on pages 10 - 16 of the Company's Annual Report.

A reasonable opportunity will be provided for shareholders to ask questions about and make comments on the Remuneration Report at the meeting.

The vote on Item 4 is advisory only and does not bind the directors or the Company. Nevertheless the outcome of the vote and discussion at the meeting will be taken into consideration by the directors when considering the remuneration arrangements of the Company.

Board recommendation and Chairman's voting intention for Item 4

The Board unanimously recommends that shareholders vote in favour of this item of business.

The Chairman of the Meeting intends to vote all available proxies **in favour** of this item of business.

Voting exclusion for Item 4

A voting exclusion applies to this Item as set out on page 1 of the notice of meeting.

ITEM 5 – CAPITAL REDUCTION

As disclosed in the Company's financial report (published on the ASX market announcements page on 11 September 2019) as at 1 July 2019, the Company has a strong balance sheet position and no debt.

In addition, the Company's operating revenue of \$21.31 million has increased 12.3% on the prior year's revenue of \$18.97million.

Due to a number of non-cash expenses (details of which are disclosed in the Company's financial report), the Company made an after-tax loss of \$0.46million for the financial year ended 30 June 2019. The Company has taken advice from its lawyers and accountants, and has concluded that in these circumstances it is not open to the Company to pay a dividend for the 2018/19 financial year in circumstances where despite meeting the requirements of section 254T of the Corporations Act it has no retained profits.

Despite this, the Board has determined that the Company has enough cash on hand, and is generating enough revenue, to justify paying a distribution to its shareholders. Accordingly, the Board has determined, subject to shareholder approval, to pay this distribution by way of an equal capital reduction, to all the Company's shareholders.

If shareholder approval is granted, the Company will pay a distribution to shareholders (in the form of a return of capital) in respect of the 12 month period ending 30 June 2019 of \$0.000462 per share (being a total cash distribution of approximately \$0.5 million).

Tax considerations

The tax consequences of a return of capital may vary depending on a shareholder's individual circumstances. The information set out below is general in nature and does not constitute tax advice. Shareholders should seek their own specialist tax advice concerning the tax consequences for them arising from the return of capital. Neither the Company nor any of its officers, employees or advisors assume any liability or responsibility for advising shareholders on the tax consequences of the return of capital.

In some circumstances a return of capital can be taxed in a shareholder's hands as the receipt of an unfranked dividend. The Company is seeking a class ruling from the ATO to confirm its understanding of the tax treatment of the return of capital for shareholders being treated as a return of capital and not income from receipt of an unfranked dividend.

If the class ruling is **favourable**, then for Australian-resident shareholders who hold their shares on capital account and continue to hold their shares until the return of capital is paid:

- (a) The return of capital will not give rise to a dividend for income tax purposes.
- (b) If the distribution received for a share is not more than the share's cost base, the cost base (and reduced cost base) for that share will be reduced by the distribution amount received for that share. The likely effect will be to either increase the amount of any future capital gain or reduce the amount of a future capital loss on a sale of those shares as the shareholder will have a lower cost base for that share.
- (c) However, a shareholder will make a capital gain on a share if the distribution received for that share is more than the share's cost base (i.e. if the cost base is less than \$0.000462 per share). In that case the share's cost base (and reduced cost base) will reduce to nil and a capital gain will be realised on the difference between the share's cost base and the amount of the distribution received for that share.

If the class ruling is **unfavourable** then the distribution will likely be taxable to Shareholders as an unfranked dividend.

The Company will advise Shareholders of the outcome of the class ruling application in due course by making an announcement to the ASX.

The above analysis does not apply to non-resident shareholders, or to shareholders who hold their shares on revenue account, as trading stock or who are subject to the taxation of financial arrangements (TOFA) rules.

The final version of the class ruling will be published on the ATO website and a notice included in the Gazette. The Company will make an announcement when the final class ruling is published and display the class ruling on its website as soon as it becomes available.

Board recommendation and Chairman's voting intention for Item 5

The Board unanimously recommends that shareholders vote in favour of this item of business.

The Chairman of the Meeting intends to vote all available proxies **in favour** of this item of business.

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30 am (Melbourne time) Wednesday, 20 November 2019**.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 183227

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Senetas Corporation Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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 to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Senetas Corporation Limited to be held at the Royce Hotel, 379 St Kilda Road, Melbourne on Friday, 22 November 2019 at 10:30 am (Melbourne time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Items 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3 and 4 by marking the appropriate box in step 2.

Step 2 Items of Business

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

		For	Against	Abstain
Item 2a	Re-election of Mr Kenneth Gillespie as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2b	Re-election of Mr Lawrence David Hansen as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Grant of Options to the Managing Director and Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	To approve the proposed Capital Reduction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



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All your securities will be voted in accordance with your directions.

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Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 183227

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Senetas Corporation Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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 to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Senetas Corporation Limited to be held at the Royce Hotel, 379 St Kilda Road, Melbourne on Friday, 22 November 2019 at 10:30 am (Melbourne time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Items 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3 and 4 by marking the appropriate box in step 2.

Step 2 Items of Business

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

		For	Against	Abstain
Item 2a	Re-election of Mr Kenneth Gillespie as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2b	Re-election of Mr Lawrence David Hansen as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Grant of Options to the Managing Director and Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	To approve the proposed Capital Reduction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically