



Notice of Annual Shareholders' Meeting

SLI Systems Limited (*the Company*)

Notice

We hereby invite you to join us for the annual shareholders' meeting which will be held at the George Hotel, 50 Park Terrace, Christchurch on 4 November 2016 at 9 am (NZT).

Business of the meeting

The business of the meeting will be:

Ordinary Business

Item 1 - Financial Statements

To receive and consider the financial statements of the Company for the year ended 30 June 2016, together with the auditors' report on such financial statements, both as contained in the Company's 2016 Annual Report.

Item 2 – Election of Directors

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

- a) That Greg Cross, who retires by rotation in accordance with clause 25 of the Company's constitution and in accordance with NZX Main Board Listing Rule 3.3.11, and, who being eligible, offers himself for re-election as a director of the Company, be re-elected a director of the Company.
- b) That Shaun Ryan, who retires by rotation in accordance with clause 25 of the Company's constitution and in accordance with NZX Main Board Listing Rule 3.3.11, and, who being eligible, offers himself for election as a director of the Company, be elected a director of the Company.

Item 3 – Appointment and remuneration of Auditor

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

To record the reappointment of PricewaterhouseCoopers as the Company's auditor and to authorise the Directors to fix the remuneration of the auditor for the ensuing year.



Explanatory Notes

Ordinary Business

Item 1 – Financial Statements

This item is intended to provide an opportunity for shareholders to raise questions on the financial statements and auditors' report.

Item 2 – Election of Directors

Under the NZX Main Board Listing Rules and in accordance with the Company's constitution one-third of the Company's directors ("Directors") must retire by rotation at the annual shareholders' meeting. If the Directors are eligible they may offer themselves for re-election or election (as relevant) by shareholders at the meeting. Greg Cross and Shaun Ryan have agreed to offer themselves for re-election/election (as relevant). As at the date of this notice, Greg Cross is an Independent Director and Shaun Ryan is an Executive Director (Shaun Ryan is not an Independent Director for the purposes of the NZX Main Board Listing Rules).

Set out below are brief profiles of each candidate for re-election/election:

Greg Cross

- over 25 years of experience in the technology sector working in growth companies in international markets
- has been on the board of the Company as an Independent Director since 2003 and has been Chairman of the Board since 2005
- currently Managing Director of Cross Ventures, a technology venture development business, and the Sir John Logan Campbell Executive in Residence at the University of Auckland Business School
- Previous roles include:
 - » Co-Founder, Executive Chairman and CEO of PowerbyProxi
 - » Investment Partner at Movac Ventures
 - » Chairman of the IceHouse, a technology incubator associated with the University of Auckland Business School
 - » Chairman of NZTE Beachhead Advisory Board
 - » CEO of Advantage Group Limited which was a listed NZX company
 - » Managing Director of Microsoft New Zealand

Shaun Ryan

- over 18 years of experience in search technologies
- co-founder and founding CEO of S.L.I. Systems, Inc. and was one of the driving forces behind the development of the Company's unique "Learning Search®" site search technology
- original founder and CTO of GlobalBrain, the search technology company which was bought by NBCi, in 2000
- was awarded 2014 NZ Engineering Entrepreneurs of the Year, along with his brother Grant Ryan
- has a PhD in Artificial Intelligence
- Previous roles include working as a contract software developer for a number of organisations, including the international health technology company Invacare

Item 3 – Appointment and Remuneration of Auditor

If passed by shareholders, the proposed resolution will authorise the Directors to fix the remuneration of the Company's auditor for the ensuing year.



Procedural Notes

Ordinary Resolution

An ordinary resolution is a resolution passed by a simple majority (i.e. over 50% of the votes of shareholders of the Company entitled to vote and voting). All resolutions set out in this notice of meeting are ordinary resolutions.

Quorum

A quorum for a meeting of shareholders is three (3) or more shareholders having the right to vote being present at the meeting.

Eligibility to vote

Any shareholder whose name was recorded in the Company's share register at 5:00pm on Wednesday, 2 November 2016 is entitled to attend the meeting and vote on the resolutions either in person or by proxy.

Proxies

You may exercise your right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in your place. A proxy need not be a shareholder of the Company. You may appoint more than one proxy, provided more than one proxy is not appointed to exercise the rights attached to a particular share. An appointed proxy will have the right to vote as he/she thinks fit on any resolutions to amend any of the resolutions, or any resolution so amended, and on any other resolution proposed at the annual shareholders' meeting (or any adjournment thereof) so as to give effect to your intention.

A proxy form is enclosed with this notice. If you wish to vote by proxy you must complete the form and produce it to the Company or appoint your proxy online no later than 9:00am on Wednesday, 2 November 2016. Details of how to do this are as follows.

Online:	To appoint your proxy online, please go to the Link Market Services website: https://investorcentre.linkmarketservices.co.nz/voting/SLI You will be required to enter your CSN/Holder number and FIN to securely access the website, and then follow the prompts to appoint your proxy and exercise your vote.
Mail:	If mailing a Proxy Form please post to Link Market Services, PO Box 91976, Victoria Street West, Auckland 1142, New Zealand.
Deliver:	Link Market Services, Level 11, Deloitte House, 80 Queen Street, Auckland, New Zealand.
Fax:	+ 64 9 375 5990
Scan & email:	meetings@linkmarketservices.co.nz (please put the words " SLI Proxy Form " in the subject line for easy identification)

As an alternative to a proxy, a shareholder may appoint an authorised representative to attend the meeting.

The Chairman and the Directors intend to vote all discretionary proxies in favour of each resolution.

By order of the Board

Greg Cross

Chairman

20 September 2016