



Electro Optic Systems Holdings Limited

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eos-aus.com

28 November 2019

ASX Market Announcements
ASX Limited
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

Further to the announcement made by Electro Optic Systems Holdings Limited ACN 092 708 364 (ASX:EOS) (**EOS** or the **Company**) on 21 November 2019, the board of directors of EOS is pleased to provide an opportunity for all Eligible Shareholders (defined below) to subscribe for new fully paid ordinary shares in EOS (**Shares**) pursuant to a share purchase plan (**SPP**). The invitation under the SPP opens at 9.00am (Sydney, Australia time) today, Thursday, 28 November 2019, and is expected to close at 5.00pm (Sydney, Australia time) on Monday, 9 December 2019.

Details of the terms and conditions of the SPP are set out in the attached copy of the SPP Letter to Shareholders, SPP Terms and Conditions and Application Form (which are given to the Australian Securities Exchange (**ASX**) for the purposes of ASX Listing Rule 3.17).

The SPP Letter to Shareholders, Application Form and SPP Terms and Conditions are expected to be sent to eligible EOS shareholders today, Thursday, 28 November 2019. 'Custodians' (as defined in *Australian Securities and Investments Commission Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) will also be sent a custodian certificate which they will be required to complete and return to EOS no later than 5.00pm (Sydney, Australia time) Monday, 9 December 2019, unless the Offer is extended in order to participate on behalf of any beneficiaries.

KEY DATES*

| Event | Date |
|--------------------|---|
| Record Date | 7.00pm (Sydney, Australia time), Wednesday, 20 November 2019 |
| SPP opens | 9.00am (Sydney, Australia time), Thursday, 28 November 2019 |

| | |
|--|--|
| SPP closes | 5.00pm (Sydney, Australia time), Monday, 9 December 2019 |
| Issue of Shares under SPP | Friday, 13 December 2019 |
| Expected date for quotation of Shares issued under the SPP on ASX | Monday, 16 December 2019 |
| Dispatch of holding statements / confirmation advice | Monday, 16 December 2019 |

***EOS retains the discretion to alter any or all of these key dates**

The SPP is open to all eligible shareholders of EOS, being holders of Shares on EOS' register of members as at 7.00pm (Sydney, Australia time) on Wednesday, 20 November 2019 whose registered address is in Australia or New Zealand (and who otherwise meet the eligibility criteria set out in the attached SPP Terms and Conditions) (**Eligible Shareholders**).

For the purposes of ASX Listing Rule 3.10.3, the following additional information is provided in relation to the SPP:

- Shares issued under the SPP will be new Shares and will rank equally in all respects with existing Shares from their date of issue.
- Shares will be issued under the SPP at an issue price per Share which is the lower of:
 - (a) A\$6.66, being the price per Share paid by institutional investors under the placement announced by EOS on 21 November 2019 (**Placement Price**) (**Placement**); and
 - (b) the price (rounded down to the nearest cent) which is equal to the volume weighted average price (**VWAP**) of EOS Shares traded on the Australian Securities Exchange (**ASX**) over the 5 trading days up to, and including, the date that the Offer closes.
- The maximum amount to be raised under the SPP is A\$10 million (equivalent to 1,501,501 Shares assuming a price of A6.66 per Share). EOS will scale back applications received under the SPP if they exceed A\$10 million in aggregate.
- The purpose of the SPP is to provide Eligible Shareholders of EOS with an opportunity to acquire Shares at the same price as the price paid by institutional investors under the Placement, without brokerage or transaction costs. The additional capital raised under the SPP will be used to support the Company's updated EBIT outlook and to fund ongoing growth initiatives and working capital requirements.
- EOS will not be seeking shareholder approval for the issue of Shares under the SPP.

- The issue will be made to certain Eligible Shareholders of EOS. The eligibility criteria for participation in the SPP is set out in the attached SPP Terms and Conditions.

Yours faithfully

Ian Dennis

Company Secretary

THIS ANNOUNCEMENT HAS BEEN PREPARED FOR PUBLICATION IN AUSTRALIA AND MAY NOT BE RELEASED OR DISTRIBUTED IN THE UNITED STATES. THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION. ANY SECURITIES DESCRIBED IN THIS ANNOUNCEMENT HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT IN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION OF THE U.S. SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS.



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27 November 2019

Dear Shareholder

Electro Optic Systems Holdings Limited – Share Purchase Plan

On 21 November 2019, Electro Optic Systems Holdings Limited ACN 092 708 364 (**EOS** or the **Company**) announced to the Australian Securities Exchange (**ASX**) that it had successfully raised A\$68 million from an institutional placement of new fully paid ordinary shares in EOS (**Shares**) to investors at an issue price of A\$6.66 per Share (**Placement Price**) (**Placement**), representing a premium of 0.8% to EOS' closing Share price on ASX on Wednesday, 20 November 2019.

The board of directors of EOS (**Board**) recognises that a number of EOS' loyal shareholders did not have an opportunity to participate in the Placement. The Board is therefore pleased to offer Eligible Shareholders (as defined below) an opportunity to participate in EOS' share purchase plan (**SPP** or **Offer**). The SPP will give all Eligible Shareholders an opportunity to apply for up to A\$30,000 worth of new Shares at an issue price per Share which is the lower of:

- (a) \$6.66, being the Placement Price; and
- (b) the price (rounded down to the nearest cent) which is equal to the volume weighted average price (**VWAP**) of EOS Shares traded on ASX over the 5 trading days up to, and including, the date that the Offer closes,

(Purchase Price).

The additional capital raised under the SPP will be used to support the Company's updated EBIT outlook and to fund ongoing growth initiatives and working capital requirements. The SPP is open to all shareholders recorded as holding Shares on EOS' register of members as at 7.00pm (Sydney, Australia time) on Wednesday, 20 November 2019 and who have a registered address in Australia or New Zealand (and who otherwise meet the eligibility criteria set out in the attached SPP Terms and Conditions) (**Eligible Shareholders**).

Other conditions of the SPP include:

- (a) Eligible Shareholders may apply for a parcel of Shares with a dollar value of \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$22,500 or \$30,000;
- (b) applications, certificates (in the case of 'custodians') and full payment for Shares subscribed for under the SPP must be received by 5.00pm (Sydney, Australia time) on Monday, 9 December 2019, unless the Offer is extended, in accordance with the instructions set out in the enclosed Application Form and the SPP Terms and Conditions;
- (c) the Offer attracts no brokerage or other transaction costs; and
- (d) the SPP will be capped at A\$10 million. Accordingly, if the total value of applications for Shares under the SPP exceeds A\$10 million in aggregate, EOS will scale back applications under the SPP in its absolute discretion. In the event of a scale back occurring, you may not receive the full number of Shares applied for under the SPP and the difference in any application monies will be refunded to you (without interest) following the issue of Shares under the SPP.

Participation in the SPP is completely optional. However, an Eligible Shareholder's entitlement to participate in the SPP is non-renounceable. This means that an Eligible Shareholder's right to participate in the SPP cannot be transferred to anyone else.

The full Terms and Conditions of the SPP are enclosed and, if you are eligible and wish to participate in the SPP, you should complete and return the enclosed Application Form together with a cheque, bank draft or money order for the relevant amount of application monies, or submit a BPAY® payment, in accordance with the instructions on the Application Form. If you are a 'custodian', you may be required to submit a custodian certificate to EOS in order to participate on behalf of any beneficiaries. Please see the attached Terms and Conditions for further details. Your application and payment must be received by no later than 5.00pm (Sydney, Australia time) on Monday, 9 December 2019, unless the Offer is extended.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 5.00pm (Sydney, Australia time) on Monday, 9 December 2019, unless the Offer is extended.

Important information

The offer of new Shares under the SPP is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* issued by the Australian Securities and Investments Commission which grants relief from the requirement in the *Corporations Act 2001* (Cth) to issue a disclosure document for the SPP.

The Board recommends that you read the attached SPP Terms and Conditions carefully and in their entirety before you decide whether to participate in the SPP.

In particular, you should note the future market price of Shares is uncertain and may rise or fall. This means the price you pay for Shares under the SPP may be either higher or lower than the Share price as traded on ASX at the time the Shares are issued to you under the SPP, with the effect that the value of your investment in the Shares could rise or fall.

This letter does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. If you are in any doubt about the course of action you should follow, you should seek advice from your financial, taxation or other professional adviser in relation to the SPP before participating in the SPP.

Yours sincerely

Fred Bart
Chairman

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

IMPORTANT NOTICE AND DISCLAIMER

This document has been prepared for release in Australia. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any jurisdiction in which such an offer would be illegal. The Shares to be offered and sold under the SPP have not been, and will not be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act (which EOS has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. This release may not be distributed or released in the United States.

Share Purchase Plan Terms and Conditions November 2019

Part 1 – The Offer

Electro Optic Systems Holdings Limited ACN 092 708 364 (**EOS** or the **Company**) invites eligible shareholders to apply for up to A\$30,000 worth of new fully paid ordinary shares in EOS (**Shares**) under a share purchase plan (**SPP** or **Offer**) at an issue price per Share which is the lower of:

- (a) \$6.66, being the price per Share paid by institutional investors under the placement announced by EOS on 21 November 2019 (**Placement Price**) (**Placement**); and
- (b) the price (rounded down to the nearest cent) which is equal to the volume weighted average price (**VWAP**) of EOS Shares traded on the Australian Securities Exchange (**ASX**) over the 5 trading days up to, and including, the date that the Offer closes.

If you are eligible to purchase Shares under the SPP and you decide to participate, you must purchase a minimum parcel of Shares with a dollar value of A\$2,500 or a maximum parcel of Shares with a dollar value of A\$30,000 (**Maximum**) or any of the other increments set out in the application form included with these SPP Terms and Conditions (**Application Form**), namely parcels of Shares having a dollar value of A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$15,000, A\$22,500 or \$30,000 stated in the Application Form.

The SPP will be capped at A\$10 million. Accordingly, if the total value of applications for Shares under the SPP exceeds A\$10 million in aggregate, EOS will scale back applications under the SPP in its absolute discretion (please see Section 13 of the SPP Terms and Conditions for further information).

Please carefully read these SPP Terms and Conditions relating to the Offer, as you will be bound by them.

Key dates*

| Event | Date |
|---|---|
| Record Date | 7.00pm (Sydney, Australia time), Wednesday, 20 November 2019 |
| Offer opens | 9.00am (Sydney, Australia time), Thursday, 28 November 2019 |
| Offer closes | 5.00pm (Sydney, Australia time), Monday, 9 December 2019, unless extended |
| Issue of Shares under SPP | Friday, 13 December 2019 |
| Expected date for quotation of Shares issued under the SPP on ASX | Monday, 16 December 2019 |
| Dispatch of holding statements / confirmation advice | Monday, 16 December 2019 |

* The timetable is indicative only and subject to change. EOS retains the discretion, subject to the listing rules of ASX and the *Corporations Act 2001* (Cth) (**Corporations Act**), to alter any or all of these key dates at its discretion (generally or in particular cases), without prior notice, including extending the closing date or to withdraw the SPP without prior notice. Applicants are encouraged to submit their Application Forms as soon as possible.

Part 2 – The terms and conditions of the Offer

1. Important notices

This document has been prepared by EOS.

The Offer of new Shares under the SPP is not a recommendation by EOS to purchase Shares. Nothing in these SPP Terms and Conditions, the Application Form or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the SPP. The SPP documentation does not constitute a prospectus or a product disclosure statement and does not (and nor is it required under the Corporations Act to) contain all the information that a prospectus or a product disclosure statement is required to contain under the Corporations Act. Rather, the Corporations Act and *Australian Securities and Investments Commission (ASIC) Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Instrument)* allow an offer under share purchase plans to be made by providing certain confirmations to the market on the basis that all information that investors and their professional advisers would reasonably require to make an informed investment decision in relation to the SPP, when read with these SPP Terms and Conditions and the accompanying information, is publicly available. Accordingly, you must rely on your own knowledge of EOS, previous disclosures made by EOS to the ASX and, if necessary, consult with your professional adviser when making your decision whether or not, and the extent to which, you wish to apply for Shares under the SPP (taking into account your own financial situation, needs and objectives).

This document and the accompanying materials do not constitute an offer of securities for sale in the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**)) (**U.S. Person**) and may not, directly or indirectly, be sent or disseminated in the United States or to any U.S. Person in any place. The new Shares to be issued under this Offer have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred in the United States or to, or for the account or benefit of, any U.S. Person except in compliance with the registration requirements of the U.S. Securities Act and any other applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

If you apply to participate in the SPP, you are accepting the risk that the market price of EOS Shares may change between the date on which you receive this document or send in an Application Form and the date on which Shares are issued to you under the SPP (**Issue Date**). This means that it is possible, that up to or after the Issue Date, you may be able to buy EOS Shares at a lower price than the price you pay under the SPP. EOS encourages you to consider seeking professional, financial and taxation advice before participating in the SPP.

2. Opening and closing date of the Offer

The Offer opens on 9.00am (Sydney, Australia time) on Thursday, 28 November 2019. The Offer closes at 5.00pm (Sydney, Australia time) on Monday, 9 December 2019, unless the Offer is extended, and is being made to each Eligible Shareholder on the SPP Terms and Conditions. **No late applications will be accepted** (subject to Section 13).

3. Who is an Eligible Shareholder?

You are eligible to apply for Shares in the SPP if you are a shareholder of EOS and:

- (a) your registered address as recorded in EOS' register of members is in Australia or New Zealand;
- (b) you were registered as a holder of Shares in EOS as at 7.00pm (Sydney, Australia time) on Wednesday, 20 November 2019;
- (c) you are not a U.S. Person or acting for the account or benefit of a U.S. Person; and
- (d) you do not hold Shares on behalf of another person who resides outside Australia or New Zealand (unless you also hold Shares in another eligible capacity),

(an **Eligible Shareholder**).

EOS has determined that it is not practical for holders of Shares with addresses on EOS' register of members in jurisdictions outside Australia and New Zealand to participate in the SPP (see Section 22 for further information).

In applying for Shares, each Eligible Shareholder must comply with the terms of the Instrument to the extent that it applies to them. What is required in order to comply with the Instrument is set out in the section titled 'ASIC Instrument 2019/547' below.

The Offer to each Eligible Shareholder is made on the same terms and conditions. The Offer is non-renounceable (ie you may not transfer your right to apply for Shares under the SPP to anyone else).

To the extent that an Eligible Shareholder holds Shares on behalf of another person resident outside Australia or New Zealand, it is their responsibility to ensure that any acceptance complies with all applicable foreign laws.

In order to comply with relevant securities laws, the Shares to be issued under this SPP may not be offered to EOS shareholders located in the United States or to EOS shareholders who are, or who are acting for the account or benefit of, U.S. Persons. As used herein, the term United States is as defined in Regulation S under the U.S. Securities Act.

Because of these legal restrictions, you must not send copies of the SPP Terms and Conditions or any other material relating to the SPP to any person resident in the United States or who is, or is acting for the account or benefit of, U.S. Persons.

ASIC Instrument 2019/547

This invitation to apply for Shares under the SPP is made in accordance with the requirements of the Instrument. The Instrument grants relief from the requirement to prepare a prospectus or other disclosure document for the invitation to apply for Shares under the SPP.

As set out above, in applying for Shares, Eligible Shareholders must comply with the Instrument to the extent it applies to them.

If you are a custodian, trustee or nominee within the definition of 'custodian' in the Instrument (**Custodian**) you must do those things set out in the section titled 'Custodians, Trustees and Nominees' below as well as make an application in accordance with these SPP Terms and Conditions, in order to comply with the Instrument.

If you are not a Custodian, by making an application in accordance with these SPP Terms and Conditions, you will have complied with the requirements of the Instrument.

For the purposes of the Instrument you are a 'custodian' if you are an Eligible Shareholder that:

- (a) holds an Australian financial services licence covering the provision of a 'custodial or depository service' (as defined in section 766E of the Corporations Act, disregarding subsection (3) of that section);
- (b) is exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
- (c) holds an Australian financial services licence covering the operation of an IDPS or is a responsible entity of an IDPS-like scheme;
- (d) is a trustee of a self-managed superannuation fund or a superannuation master trust; or
- (e) is a registered holder of Shares and is noted on the register of members of EOS as holding the Shares on account of another person.

Single holders

If you are the only registered holder of a holding of Shares, but you receive more than one Offer under the SPP (eg because you have multiple registered holdings), you may only apply for one parcel of Shares up to the Maximum.

Joint holders

If you are registered with one or more other persons as the joint holders of a holding of Shares, that joint holding is taken to be a single registered holding for the purposes of the SPP and the certifications, representations and warranties given by a joint holder when applying to participate in the SPP will be taken to have been given by all joint holders. If the same joint holders receive more than one offer under the SPP (eg if the joint holders have multiple joint holdings), the joint holders may only apply for a parcel of Shares up to the Maximum.

Custodians, trustees and nominees

If you are a Custodian and hold Shares on behalf of one or more Beneficiaries (defined below) (each a **Participating Beneficiary**), you may only apply for a parcel of Shares up to the Maximum for each Participating Beneficiary. However, EOS will not allocate Shares under the SPP unless the Custodian certifies the matters set out in paragraph 8(3) of the Instrument in a certificate (**Custodian Certificate**).

A **Beneficiary** is a person who resides in Australia or New Zealand for whom a Custodian (being an Eligible Shareholder) held EOS Shares on behalf of the Beneficiary on the record date for the SPP and who is not, or is not acting for the account or benefit of a U.S. person.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Where a Custodian holds Shares jointly on behalf of two or more Participating Beneficiaries, the Custodian:

- may participate jointly in respect of those Participating Beneficiaries up to the Maximum as if the Custodian held Shares on behalf of a single Participating Beneficiary; and
- is taken to have been instructed to apply for Shares under the SPP on behalf of those Participating Beneficiaries if the Custodian has received such an instruction in accordance with the terms on which the Shares are held or where the terms on which the Shares are held do not cover the giving of such instructions, the Custodian has received such instructions from any of those Participating Beneficiaries.

A Custodian holding Shares for the benefit of a U.S. Person may not apply for Shares under this Offer for that U.S. Person.

Custodians should have received a Custodian Certificate with these SPP Terms and Conditions. If you did not receive a Custodian Certificate or would like further information on how to apply under the SPP, you should contact the EOS Offer Information Line on 1300 855 080. Applications received from Custodians must be accompanied by a duly completed and signed Custodian Certificate.

Custodians will not be entitled to participate in the SPP if their participation would be in breach of the Instrument.

4. Purchase Price

The purchase price for each Share under the Offer is the price per Share which is the lower of:

- (a) \$6.66, being the Placement Price; and
- (b) the price (rounded down to the nearest cent) which is equal to the VWAP of EOS Shares traded on ASX over the 5 trading days up to, and including, the date that the Offer closes,

(Purchase Price).

5. Rights attaching to Shares

The Shares issued under the SPP will rank equally with all other Shares on issue in EOS (including in respect of dividend and voting rights) with effect from their date of issue. EOS will apply for the Shares issued under the SPP to be quoted on ASX immediately following their issue.

6. Application for Shares

If you are an Eligible Shareholder, you can only apply for Shares under this Offer by electing, and making payment under, one of the following options:

| Offer | Amount Payable |
|---------|----------------|
| Offer A | A\$2,500 |
| Offer B | A\$5,000 |
| Offer C | A\$7,500 |

| | |
|---------|-----------|
| Offer D | A\$10,000 |
| Offer E | A\$15,000 |
| Offer F | A\$22,500 |
| Offer G | A\$30,000 |

The number of Shares that will be allocated to Eligible Shareholders under the SPP will be based on the Purchase Price subject to the scale-back described in Section 14 of these SPP Terms and Conditions.

Applications may be made by either:

- completing the enclosed Application Form and making payment by one of the methods described in paragraph 10 below; or
- submitting a BPAY® payment,

for the amount payable in respect of the number of Shares which you have applied for. Custodians must also complete the Custodian Certificate and provide a copy of such certificate to EOS.

7. Participation costs

The only cost to you in relation to your participation in the Offer will be the Purchase Price payable for the number of Shares you wish to acquire. Under the Offer, you do not have to pay for brokerage, commission or other transaction costs.

8. Participation is optional

Participation in the SPP is entirely optional (subject to the eligibility criteria set out in these SPP Terms and Conditions). The invitation to apply for Shares under the SPP is not a recommendation. If you are in any doubt about the SPP, whether you should participate in the SPP or how participation will affect you, you should consider seeking financial, taxation or other professional advice before making a decision as to whether or not to participate in the SPP.

9. Issue of Shares

The Shares to be issued under this Offer are expected to be issued on Friday, 13 December 2019 or as soon as possible after that date and EOS expects new Shares issued under the SPP to be quoted on ASX on Monday, 16 December 2019. EOS expects that Computershare Investor Services Pty Limited will dispatch a holding statement or confirmation advice in respect of Shares allocated to you under the SPP on Monday, 16 December 2019. You should confirm your holding before trading in any Shares you believe have been allocated to you under the SPP.

10. Payment for Shares

All amounts in this Offer are expressed in Australian dollars. If you would like to participate in the SPP, you must pay for the Shares by:

- making a payment through BPAY®; or
- providing a cheque, bank draft or money order payable to Electro Optic Systems Holdings Limited,

in accordance with the instructions on the Application Form. Payments must be in Australian dollars.

For Eligible Shareholders with an Australian bank account, you may apply for Shares under the SPP by making a BPAY® payment on the internet by using the personalised customer reference number shown on your enclosed Application Form which is required to identify your holding. If you make a payment using BPAY® you do not need to return your Application Form, but are taken to make the certifications, representations and warranties described in these SPP Terms and Conditions. However, Custodians applying for Participating Beneficiaries must still complete and return a Custodian Certificate. Please note that your financial institution may apply limits on the use of your BPAY® and that you should make enquiries about the limits that apply in your personal circumstances.

11. Important information on price risk to consider

The Purchase Price for each Share under the Offer is the price per Share which is the lower of:

- (a) \$6.66, being the Placement Price; and
- (b) the price (rounded down to the nearest cent) which is equal to the VWAP of EOS Shares traded on ASX over the 5 trading days up to, and including, the date that the Offer closes.

Before deciding whether or not to apply for Shares under this Offer, you should refer to the current market price of the Shares which can be obtained from the financial pages of major metropolitan and national newspapers, your stockbroker, or the ASX (www.asx.com.au) (ASX code: EOS). However, it is important to remember that the current market price of the Shares may rise or fall between the date of this Offer and the date on which Shares are issued to you under this Offer. This means that it is possible that, up to or after the Issue Date, you may be able to buy existing Shares at a lower price than the Purchase Price for Shares under the SPP.

12. Effect of making an application

If you apply to participate in this Offer by submitting a BPAY® payment or completing and returning the Application Form (with a cheque, bank draft or money order):

- you confirm that you are an Eligible Shareholder;
- you declare that all details and statements in your Application Form are true, complete and not misleading;
- unless you are applying as Custodian for one or more Participating Beneficiaries, you represent and warrant to EOS, and irrevocably and unconditionally appoint EOS as your agent to certify in writing (or otherwise) on your behalf, that the aggregate of the application price paid by you for:
 - (i) the Shares the subject of such Application Form or BPAY® payment for this SPP; and
 - (ii) any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf, under the SPP and/or any similar arrangement operated by EOS in the 12 months prior to your application (EOS has not conducted a similar arrangement in the preceding 12 months),

does not exceed the Maximum;

- you agree that your application is made on the terms and conditions of the SPP set out in this document, the Application Form and EOS' constitution;
- you accept that you will not be able to withdraw or revoke your application or BPAY® payment once you have sent it in (or paid it, as the case may be);
- you authorise EOS (and its officers and agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
- you acknowledge that EOS may at any time determine that your Application Form is valid, in accordance with these SPP Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- you accept the risk associated with any refund that may be sent to you by direct credit or cheque to your address shown on EOS' register of members;
- you are responsible for any dishonour fees or other costs EOS may incur in presenting a cheque for payment which is dishonoured;
- you acknowledge that EOS is not liable for any exercise of its discretions referred to in these SPP Terms and Conditions;
- you irrevocably and unconditionally agree to the terms and conditions set out in this document;
- you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act and laws and regulations designed to restrict terrorism financing and/or money laundering);
- you acknowledge that the market price of the Shares may rise or fall between the date the SPP opens and the Issue Date and that the price you pay per Share under the SPP may exceed the market price of the Shares at the time the Shares are issued to you under the SPP;
- you acknowledge that the Shares to be issued under the SPP have not, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws; and
- you have not and will not send any materials relating to the SPP to any person in the United States or that is, or acting for the accounting or benefit of, a U.S. Person.

13. EOS' discretion regarding applications

EOS may accept or reject applications to purchase Shares under this Offer, including (but not limited to) cases where:

- an Application Form (or Custodian Certificate, in the case of Custodians) is incorrectly completed, incomplete or otherwise determined by EOS to be invalid;
- a cheque, bank draft or money order is dishonoured or has not been completed correctly;
- a cheque, bank draft or money order is not made out for the exact amount of the parcel of Shares selected on the Application Form;
- a BPAY® payment is not received, or is incomplete or invalid;
- an applicant appears to be applying for more than A\$30,000 of Shares (in aggregate) at the Purchase Price;

- EOS considers that any person holding Shares directly as a registered holder and/or directly through one or more Custodians as beneficial owner will otherwise receive in aggregate, Shares, having a total subscription price of more than the Maximum;
- an Application Form (and Custodian Certificate, in the case of Custodians) is received after the closing date. While EOS has a discretion to accept late BPAY® payments, Application Forms, Custodian Certificates and cheques, bank drafts or money orders, there is no assurance that it will do so. Late BPAY® payments, Application Forms, Custodian Certificates and cheques, bank drafts or money orders, if not processed, will be returned to you at your registered address or refunded;
- EOS considers, or is reasonably satisfied, that the application (whether alone or in conjunction with other applications) does not comply with the requirements of the Instrument; or
- EOS believes an applicant is not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX requirements).

EOS also reserves the right to issue fewer Shares than an Eligible Shareholder applies for under the SPP, or no Shares at all, if EOS believes the issue of those Shares to the Applicant would contravene any law or the ASX Listing Rules or result in non-compliance with the Instrument, or if EOS undertakes a scale-back of applications received under the SPP as set out in Section 14 below.

No interest will be paid on any application money returned to you.

14. Applications may be scaled back

The SPP will be capped at A\$10 million. If applications under the SPP exceed A\$10 million, EOS will scale-back applications. In the event of a scale-back occurring, EOS reserves the right to give priority to Eligible Shareholders in any manner it sees fit, including taking into account the size of your shareholding as at the record date for the SPP. Any decisions made by EOS will be final.

If there is a scale back you may receive less than the parcel of Shares you have applied for under the SPP. If a scale-back produces a fractional number of Shares when applied to your application, the number of Shares you will be allocated will be rounded down to the nearest whole number of Shares.

If applications are scaled back, the difference between the application monies received and the number of Shares allocated to you multiplied by the Purchase Price, being the amount of any difference in Purchase Price, will be refunded by EOS, without interest, as soon as practicable following issue of the Shares under the SPP.

15. Calculation of the number of Shares to be allocated to you under the SPP

If you apply for Shares under the SPP, you will apply for a certain value, rather than a certain number, of Shares. Subject to these SPP Terms and Conditions, the number of Shares allocated to you under the SPP will be determined by:

- if there is no scale back, dividing the aggregate application money that you pay in applying for Shares under the SPP by the Purchase Price; or
- if there is a scale back, dividing the value of the parcel of Shares allocated to you under the SPP by the Purchase Price

16. Change of Offer

EOS may withdraw the Offer, or change, suspend or terminate the SPP, at any time. If EOS does this, it will advise ASX. The omission to give notice of changes to, or suspension or termination of, the SPP or the non-receipt of notice will not invalidate the change, suspension or termination.

Where there is any uncertainty as to the operation of the SPP or the Terms and Conditions of this Offer, EOS may make determinations about the operation of the SPP, and may do so in each case generally or in relation to any participant or application. Any change or determination that is made by EOS will be conclusive and binding on all Eligible Shareholders and other persons to whom the change or determination relates. If the SPP is cancelled, all application money will be refunded without interest.

17. Dispute resolution

EOS may settle any dispute in relation to the SPP in any manner it thinks fit, whether generally or in relation to any participant, application or Share. EOS' decision will be conclusive and binding.

18. No underwriting

The SPP will not be underwritten.

19. Instrument compliance

The invitation to apply for Shares under the SPP is being made in accordance with the requirements of the Instrument.

20. Privacy

The Application Form requires you to provide personal information.

EOS and its service providers such as the registrar may collect, hold and use your personal information to assess your application, service you as an investor and for other permitted purposes under the *Privacy Act 1988* (Cth).

Tax, company and anti-money laundering law also requires the collection of certain information in connection with your application. If you do not provide the information requested or provide us with incomplete or inaccurate information, your application may not be able to be processed efficiently, or at all. Your information may be disclosed to your financial adviser and to EOS' agents and service providers on the basis that they deal with such information in accordance with the privacy policy of EOS which can be accessed at <https://www.eos-aus.com/privacy-policy>.

21. Binding terms

By accepting the offer to purchase new Shares under the SPP, you agree to be bound by these Terms and Conditions and EOS' constitution.

22. Foreign securities restrictions

This document does not constitute an offer to sell, or solicitation of an offer to buy, securities in the United States. The Shares to be issued under the SPP have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state or jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, in, or to persons in, the United States, except in accordance with an available exemption from registration.

This document has been prepared for publication in Australia and New Zealand only and may not be released elsewhere. Failure to comply with these restrictions may result in violations of applicable securities laws.

23. Governing law

These Terms and Conditions are governed by the laws in force in New South Wales.


If you have any questions regarding the SPP, please contact the EOS Offer Information Line on 1300 855 080.



Electro Optic Systems Holdings Limited
ABN 95 092 708 364

For all enquiries:


Phone:
 (within Australia) 1300 855 080
(outside Australia) +61 3 9415 4000

Web:
 www.investorcentre.com/contact



EOS
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:

 See overleaf for details of the Offer and how to make your payment

Share Purchase Plan Application Form

 **Your payment must be received by 5.00pm (Sydney time), Monday, 9 December 2019**

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of Electro Optic Systems Holdings Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Electro Optic Systems Holdings Limited shares on the terms of the Share Purchase Plan (SPP).

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the New Shares the subject of the payment slip overleaf; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment, does not exceed \$30,000.

Electro Optic Systems Holdings Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Electro Optic Systems Holdings Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Electro Optic Systems Holdings Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where Electro Optic Systems Holdings Limited does not notify you of that event.

Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Electro Optic Systems Holdings Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Electro Optic Systems Holdings Limited Share Purchase Plan Application Form
Payment must be received by 5.00pm (Sydney time), Monday, 9 December 2019

© Registered to BPAY Pty Limited ABN 69 079 137 518


Turn over for details of the Offer →

Share Purchase Plan Application Form

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STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000


Entitlement No: 12345678

Offer Details: Record date: **Wednesday, 20 November 2019**

Minimum value available to purchase: **\$2,500**

Maximum value available to purchase: **\$30,000**

STEP 2 Make Your Payment

| | |
|--|--------------------------------|
|  | Bill Code: 99999 |
| | Ref No: 1234 5678 9123 4567 89 |

Pay by Mail:



Make your cheque, bank draft or money order payable to "**Electro Optic Systems Holdings Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5.00pm (Sydney time), Monday, 9 December 2019. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Electro Optic Systems Holdings Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5.00pm (Sydney time), Monday, 9 December 2019. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Electro Optic Systems Holdings Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Purchase Details for Electro Optic Systems Holdings Limited (choose one option)

- \$2,500 worth of securities OR \$5,000 worth of securities OR \$7,500 worth of securities
- \$10,000 worth of securities OR \$15,000 worth of securities OR \$22,500 worth of securities
- \$30,000 worth of securities



Entitlement No: 12345678

Payment must be received by 5.00pm (Sydney time), Monday, 9 December 2019

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ Daytime Telephone _____

Cheque Details

| Drawer | Cheque Number | BSB Number | Account Number | Amount of Cheque |
|--------|---------------|------------|----------------|------------------|
| | | | | A\$ |

123456789123456789+000000001-3051+14