



Electro Optic Systems Holdings Limited

ACN 092 708 364

T +61 2 6222 7900

F +61 2 9232 3411

A Suite 3, Level 12, 75 Elizabeth Street, Sydney, NSW 2000

eos-aus.com

23 April 2020

Chairman's letter

Dear Shareholder,

Notice is given of the 2020 Annual General Meeting (AGM) of Electro Optic Systems Holdings Limited (EOS) to be held on Friday 29 May 2020 at 9.30 am (Sydney time).

The health and wellbeing of our stakeholders is very important to us. EOS is closely monitoring the impact of the unprecedented COVID-19 pandemic in Australia and Israel and observing the guidance from the Federal and State Governments. Due to the extraordinary circumstances, this year, EOS AGM will be held virtually. There will not be a physical meeting. This is in the interests of your health and safety and the health and safety of the personnel who would attend the AGM.

As we have seen recently, the situation is changing rapidly. Accordingly, we may make alternative arrangements to the way in which the AGM is held. If this occurs, we will notify any changes by way of announcement on ASX (www.asx.com/au, under our ticker: EOS) and details will also be made available on our web site at www.eos-aus.com/investor-centre

It is important that you have the opportunity to communicate your views to us. You are encouraged to participate in the meeting by watching our live webcast and asking questions via email and voting in the manner described on pages 2. **We will do our utmost to ensure that shareholders are able to ask questions as well as make comments during the meeting.**

How you can participate remotely:

1. Shareholders can appoint the Chair of the meeting as proxy ahead of the meeting. Shareholders can complete the proxy form to provide specific instructions on how their vote is to be exercised on each item of business and the Chair of the meeting must follow your instructions. Instructions on how to vote are set out in the personalised Proxy Form.
2. Shareholders are encouraged to submit questions ahead of the AGM to EOS or the auditor. We will also provide a facility for shareholders to submit questions online during the meeting. Further details are set out on page 3.
3. A live webcast will be available which will allow security holders to participate in the meeting with written questions.
4. The CEO presentation will be accessible, as usual, on the ASX prior to the commencement of the AGM.

We look forward to your participation at the AGM in the manner outlined above and thank you for your continued support.

Yours faithfully,

Fred Bart
Chairman

Participating and Voting Information

Quorum and Voting

The Constitution of EOS provides that at least three members present in person or by proxy represent a quorum.

All votes on all resolutions will be conducted via an online poll via Computershare and the results announced to the ASX and made available on the EOS web site as soon as practicable after they are known.

On a poll:

Each shareholder of EOS has one vote for each share held in EOS.

You can vote by proxy. You can appoint a proxy to vote for you, using the enclosed pre-printed personalised proxy form or by completing and lodging the proxy form on line as per the instructions from Computershare on the enclosed proxy form.

You can vote online using the links to Computershare website below:

<https://www.investorvote.com.au/Login?cn=3796&demo=N>

You will need your SRN/HIN and postcode to identify your shareholding so that you can vote.

Participating in the meeting on line

Shareholders who wish to participate in the video meeting on line may do so via Webex Events

Event address for attendees:

<https://communicloudglobal.webex.com/communicloudglobal/onstage/g.php?MTID=e25b4cb731e3ef54a19dd22d9630e68ce>

Event Information: Electro Optic Systems Holdings Limited Annual General Meeting

Event number :577 579787

Event password: eos2020

Shareholders who have provided their email addresses will be sent a reminder a few days before the actual meeting with a one click connection to the EOS AGM.

Participating in the meeting online enables shareholders to view and listen to the AGM live and submit questions during the meeting via email. You will not be able to vote during the meeting. You must vote on line prior to the meeting or send your proxy form to Computershare prior to 27 May 2020.

Audio only conference information -only use if you do not use the video link above

Global call-in numbers

Australia	+61 2 9037 0069
Israel	+972 3 376 2909
Japan	+81 3 5050 1391
New Zealand	+64 9 280 5283
Singapore	+65 6703 6949
Hong Kong	+852 3018 6827
USA	+1 650 479 3211

Event access code: 577 579 787

Question at the AGM

Please note that only shareholders may ask questions online. It may not be possible to respond to all questions. Shareholders are encouraged to lodge questions prior to the AGM and provide the full registered details of their shareholding with their question. All questions should be submitted by email to the Company Secretary at least three days prior to the AGM to enquiry@eos-aus.com

Point at which Voting Rights are Determined

Regulation 7.11 of the Corporations Act permits the Company to specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of members will be taken for the purposes of determining member entitlements to vote at the meeting.

The Company's Directors have passed a resolution to the effect that all shares of the Company that are quoted on the ASX at 27 May 2020 at 9.30 am shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time.



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ACN 092 708 364

Suite 3, Level 12, 75 Elizabeth Street
Sydney NSW 2000 Australia
Telephone (61-2) 9233 3915 Fax (61-2) 9232 3411
www.eos-aus.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the shareholders of **ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED** will be held Friday 29 May 2020 commencing at 9.30 am

Due to the extraordinary circumstances presented by COVID-19 pandemic, the meeting will be held virtually. We encourage you to participate in the meeting in the way described in the Chairman's letter. The meeting will transact the following business.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

Ordinary Business:

1. Consideration of Financial Statements and Reports

"To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 31 December 2019."

There is no vote on this item.

2. Re-election of Mr Fred Bart as a Director

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

"That Mr Fred Bart, who retires by rotation in accordance with Articles 95 and 96 of the Constitution of the Company, and, being eligible, be re-elected as a Director of the Company."

3. Re-election of Geoffrey Brown AO as a Director

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

"That Mr Geoffrey Brown AO, who retires by rotation in accordance with Articles 95 and 96 of the Constitution of the Company, and, being eligible, be re-elected as a Director of the Company."

4. Adoption of the Remuneration Report

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

"That the Remuneration Report section of the Directors' Report for the Company for the year ended 31 December 2019 be adopted."

Please note that the vote on this resolution is advisory only and does not bind the Directors of the Company.

5. Ratification of certain shares issued under institutional placement

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

"That for the purposes of ASX Listing Rule 7.4 and all other purposes this meeting approves and ratifies the allotment and issue by the Company of 16,961,732 fully paid ordinary shares in the Company to sophisticated and professional investor clients of Citigroup Global Markets Australia Pty Limited."

6. Approval of Loan Funded Share Plan

To consider and if thought fit, to pass with or without amendment the following resolutions as ordinary resolutions:

6.1 *"That for the purposes of ASX Listing Rule 7.2, Exception 13(b) and section 260C(4) of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders approve the Electro Optic Systems Holdings Ltd Loan Funded Share Plan, and the issue of securities under that Plan, as described in the attached Explanatory Memorandum which accompanies this Notice of Meeting.."*

6.2 *"That the giving of benefits under the Electro Optic Systems Holdings Ltd Loan Funded Share Plan to a person by the Company in connection with that person ceasing to hold a managerial or executive office in the Company, as described in the attached Explanatory Memorandum which accompanies this Notice of Meeting, be approved for the purposes of sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes."*

7. Approval of the issue of shares under the Loan Funded Share Plan to Mr Fred Bart

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“For the purposes of ASX Listing Rule 10.14 and for all other purposes, Mr Fred Bart be authorised to participate in the Loan Funded Share Plan by purchasing 100,000 new fully paid ordinary shares in the Company on the terms and conditions set out in the attached Explanatory Memorandum which accompanies this Notice of Meeting.

8. Approval of the issue of shares under the Loan Funded Share Plan to Mr Ben Greene

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“For the purposes of ASX Listing Rule 10.14 and for all other purposes, Mr Ben Greene be authorised to participate in the Loan Funded Share Plan by purchasing 1,000,000 new fully paid ordinary shares in the Company on the terms and conditions set out in the attached Explanatory Memorandum which accompanies this Notice of Meeting.

9. Approval of the issue of shares under the Loan Funded Share Plan to Mr Peter Leahy

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“For the purposes of ASX Listing Rule 10.14 and for all other purposes, Mr Peter Leahy be authorised to participate in the Loan Funded Share Plan by purchasing 100,000 new fully paid ordinary shares in the Company on the terms and conditions set out in the attached Explanatory Memorandum which accompanies this Notice of Meeting.

10. Approval of the issue of shares under the Loan Funded Share Plan to Mr Ian Dennis

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“For the purposes of ASX Listing Rule 10.14 and for all other purposes, Mr Ian Dennis be authorised to participate in the Loan Funded Share Plan by purchasing 100,000 new fully paid ordinary shares in the Company on the terms and conditions set out in the attached Explanatory Memorandum which accompanies this Notice of Meeting.

11. Approval of the issue of shares under the Loan Funded Share Plan to Mr Geoffrey Brown AO

To consider and if thought fit, pass with or without amendment the following resolution as an ordinary resolution:

“For the purposes of ASX Listing Rule 10.14 and for all other purposes, Mr Geoffrey Brown AO be authorised to participate in the Loan Funded Share Plan by purchasing 100,000 new fully paid ordinary shares in the Company on the terms and conditions set out in the attached Explanatory Memorandum which accompanies this Notice of Meeting.

12. Approval of the issue of shares under the Loan Funded Share Plan to Ms Kate Lundy

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“For the purposes of ASX Listing Rule 10.14 and for all other purposes, Ms Kate Lundy be authorised to participate in the Loan Funded Share Plan by purchasing 100,000 new fully paid ordinary shares in the Company on the terms and conditions set out in the attached Explanatory Memorandum which accompanies this Notice of Meeting.

13. Approval of increase to non-executive Directors' fees

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

“That in accordance with Article 112 of the Company’s Constitution, ASX Listing Rule 10.17 and section 208(1) of the Corporations Act, the maximum amount of aggregate fees payable to non-executive Directors be increased by \$5000,000 from \$500,000 to \$1,000,000 commencing 1 January 2020 and continuing thereafter until varied by members in general meeting.”

14. Approval of adoption of new Company constitution

To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Constitution of the Company be repealed and replaced with a constitution in the form of the document tabled at this Meeting and signed by the Chairman for the purposes of identification, effective immediately.”

DATED: 23 April 2020

By Order of the Board of Directors



I A Dennis
Company Secretary

Electro Optic Systems Holdings Limited

ACN 092 708 364

VOTING EXCLUSION STATEMENTS

Resolutions 2 – 3 (inclusive) – Re-election of Directors of the Company

Resolutions 2 – 3 (inclusive) relate to the re-election of Directors of the Company. No voting exclusion statement applies to these Resolutions.

Resolution 4 – Remuneration Report

Pursuant to section 250BD of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Company will disregard any votes cast on this resolution by, or on behalf of, a member of the Company's key management personnel (**KMP**), details of whose remuneration are included in the Remuneration Report for the year ended 31 December 2019, or a closely related party of a KMP, whether the votes are cast as a Shareholder, proxy (where the appointment does not specify the way the proxy is to vote on the resolution) or in any other capacity.

However, the Company will not disregard a vote cast on this resolution pursuant to section 250BD of the Corporations Act if it is cast by:

- a person who is a KMP, as proxy for a person who is entitled to vote, and the appointment specifies the way the proxy is to vote on the resolution; or
- a person chairing the Meeting as proxy for a person who is entitled to vote, and the appointment expressly authorises the person chairing the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP include the Company's Directors and certain senior executives.

Resolution 5 – Ratification of shares issued under institutional placement

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- any person who participated in the issue under the institutional placement conducted on 15 April 2020; or
- any associates of those persons.

However, the Company will not disregard a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution,

Notice of General Meeting

in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or

- the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolutions 6.1 and 6.2 – Approval of Loan Funded Share Plan

On resolutions 6.1 and 6.2, the Company will disregard any votes cast in favour of those resolutions by or on behalf of:

- any of the directors or employees who are eligible to participate in the Company's Loan Funded Share Plan; or
- any associates of those persons.

However, the Company will not disregard a vote cast in favour of each resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolutions 7, 8, 9, 10, 11 and 12 – Approval for the issue of shares to Directors of the Company under the Loan Funded Share Plan by Directors

The Company will disregard any votes cast in favour of resolutions 7, 8, 9, 10, 11 and 12 by or on behalf of:

- all six Directors of the Company who are eligible to participate in the Loan Funded Share Plan; or
- any associates of those persons,

with respect to the following resolutions:

Notice of General Meeting

- Fred Bart (resolution 7);
- Ben Greene (resolution 8);
- Peter Leahy (resolution 9);
- Ian Dennis (resolution 10);
- Geoff Brown (resolution 11); and
- Kate Lundy (resolution 12).

However, the Company will not disregard a vote cast in favour of each resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 13 – Approval of increase to non-executive Directors' fees

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- the Directors of the Company; or
- any associates of those persons.

However, the Company will not disregard a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 14 – Adoption of new Constitution

As Resolution 14 relates to the adoption of a new Constitution for the Company, no voting exclusion statement applies to this Resolution.

Electro Optic Systems Holdings Limited

ACN 092 708 364

EXPLANATORY MEMORANDUM TO SHAREHOLDERS TO ACCOMPANY THE NOTICE OF ANNUAL GENERAL MEETING

This Memorandum has been prepared for the information of shareholders (**Shareholders**) of Electro Optic Systems Holdings Limited (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Shareholders of the Company to be held on Friday, 29 May 2020. Shareholders are specifically referred to the Glossary at the end of this Explanatory Memorandum which contains definitions of capitalised terms used in the Notice of Meeting and this Explanatory Memorandum.

1. Resolution 1 – Consideration of financial statements and reports

The Corporations Act requires the financial report (which includes the financial statements and directors' declaration), the directors' report and the auditor's report for the last financial year to be laid before the Annual General Meeting. These reports are all included in the Company's Annual Report, which was released to ASX on 7 April 2020. A copy of the Annual Report is also available from the Company's website at <https://www.eos-aus.com/investor-centre/>.

There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the financial report, the directors' report or the auditor's report. Shareholders will have reasonable opportunity at the meeting to ask questions and make comments on these reports and on the business and operations of the Company.

Shareholders will be given a reasonable opportunity to ask questions of a representative of the Company's auditor, Deloitte Touche Tohmatsu, relevant to the conduct of the audit, the preparation and content of the Company's financial statements and auditor's report, the accounting policies adopted by the Company in the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

2. Resolution 2 – Re-election of Mr Fred Bart as a Director

Mr Fred Bart was appointed to the Board on 8 May 2000.

Mr Fred Bart is the non-executive Chairman of the Company. He has been a chairman and director of numerous public and private companies since 1980, specialising in manufacturing, property, technology and marketable securities. Mr Bart is a director of Immunovative Therapies Limited, an Israeli company involved in the manufacture of cancer vaccines for the treatment of most forms of cancer. He is also chairman of Audio Pixels Holdings Limited and a director of Weebit Nano Limited.

Mr Fred Bart has been a Director of the Company for 19 years.

Board recommendation

The Board recommends that Shareholders vote in favour of the re-election of Mr Fred Bart as a Director of the Company.

3. Resolution 3 – Re-election of Geoffrey Brown AO as a Director

Mr Geoffrey Brown AO was appointed to the Board on 21 April 2016.

Mr Geoffrey Brown AO is a non-executive Director of the Company. He retired from the Royal Australian Air Force in July 2015 as Air Marshal in the position of Chief of Air Force. Among his qualifications he holds a Beng (Mech), a Master of Arts (Strategic Studies), is Fellow of the Institute of Engineering Australia and a Fellow of the Royal Aeronautical Society. He is a director of Lockheed Martin (Australia) Pty Limited, chairman of the Sir Richard Williams Foundation and chairman of the Advisory Board of CAE Asia Pacific. He was appointed as chairman of the Company's Nomination and Remuneration Committee on 6 February 2020 and is also a member of the Audit and Risk Committee.

Mr Geoffrey Brown AO has been a Director of the Company for 3 years.

Board recommendation

The Board recommends that Shareholders vote in favour of the re-election of Mr Geoffrey Brown AO as a Director of the Company.

4. Resolution 4 – Adoption of the Remuneration Report

The Annual Report for the year ended 31 December 2019 contains the Remuneration Report which sets out the remuneration policy of the Company and the remuneration arrangements in place with the Directors.

Under the provisions of the Corporations Act, the Shareholder vote on this resolution is advisory only and will not require the Company to alter any arrangements detailed in the Remuneration Report, should the resolution not be passed. Notwithstanding the legislative effect of this requirement, the Board has determined that it will take the outcome of the vote into consideration when considering the Company's remuneration policy in future.

5. Resolution 5 – Ratification of certain shares issued under an institutional placement

As announced to the market on 15 April 2015, the Company undertook a fully underwritten institutional placement of new fully paid ordinary shares (**Shares**) to eligible institutional investors, to raise ~\$134 million (**Placement**). The Placement was conducted utilising the Company's available placement capacity under ASX Listing Rule 7.1 as increased by the ASX Class Waiver dated 31 March 2020 (**Class Waiver**), resulting in EOS issuing 28,269,553 new Shares. The Class Waiver provides that the Company is not able to ratify

the issue of Shares under the Placement which were in excess of its 15% placement capacity under ASX Listing Rule 7.1.

Accordingly, this Resolution 5 seeks Shareholder approval for the ratification of 16,961,732 Shares (representing the Company's 15% placement capacity under ASX Listing Rule 7.1) which were issued under the Placement (**Placement Shares**). If Shareholders approve this Resolution 5, the Company will be able to restore its ability to issue securities within the 15% limit prescribed by ASX Listing Rule 7.1. The Company confirms that the issue of the Placement Shares pursuant did not breach ASX Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Placement Shares utilised all of the Company's available placement capacity under ASX Listing Rule 7.1 reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Shares under the Placement.

ASX Listing Rule 7.4 allows shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to be approved under ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issue under ASX Listing Rule 7.1.

If this Resolution 5 is passed by Shareholders, the issue of the Placement Shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the next 12 month period.

If this resolution 5 is not passed, the issue of the Placement Shares, as further described above, will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the next 12 month period.

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

The names of the persons to whom the entity issued or agreed to issue the securities or the bases on which those persons were identified or selected

Notice of General Meeting

The Shares were issued to sophisticated and professional investors;

The number and class of securities the entity issued or agreed to issue

The Company issued 28,269,553 new Shares pursuant to the Placement of which 16,961,732 new Shares are the Placement Shares which Shareholders are being asked to ratify the issue of pursuant to this Resolution 5.

If the securities are not fully paid ordinary securities, a summary of the material terms of the securities

The Shares for which Shareholder approval is being sought pursuant to this Resolution 5 are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares.

The date or dates on which the securities were or will be issued. If the securities have not yet been issued, the date of issue must be no later than 3 months after the date of the meeting

The Shares the subject of this Resolution 5 were issued on 21 April 2020.

The price or other consideration the entity has received or will receive for the issue

The Shares the subject of this Resolution 5 were issued at \$4.75 each, raising a total of \$134,280,378 (before costs).

- (a) The net funds raised from the Placement will be applied by the Company will be used to fund future growth opportunities and provide additional cash liquidity.

If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement

The securities were not issued pursuant to an agreement but to investors who subscribed for Shares in the Placement.

6. Resolutions 6.1 and 6.2 – Loan Funded Share Plan approval

The Board has previously established an employee incentive scheme on 20 June 2018 known as the Electro Optic Systems Holdings Limited Loan Funded Share Plan (LFSP), pursuant to which Shares may be acquired by eligible Directors and employees of the Company using a loan made available to them by the Company.

Resolutions 6.1 and 6.2 seek Shareholder approval of the LFSP, and the issue of securities under the LFSP, for the purposes of the ASX Listing Rules and the Corporations Act.

Background

The Board is committed to incentivising and retaining key management personnel in a manner which promotes alignment of their interests with Shareholder interests. As a result, the Board has adopted the Plan, which is intended to enable participants to share in any increase in the Company's value (as measured by the Share price).

Subject to shareholder approval of Resolutions 6.1 and 6.2, the Board has identified six Directors who will in total acquire 2,500,000 Shares under the LFSP. The Board has also identified 45 senior managers and employees who will in total acquire 2,515,000 Shares under the LFSP.

Summary of the Plan

Following is a summary of the rules of the LFSP (**LFSP Rules**):

Introduction

Pursuant to the LFSP, eligible participants may acquire Shares using a loan made to them by the Company.

Eligibility and invitations

Employees (including Directors) of the Company or any of its subsidiaries who are selected by the Board will be eligible to participate in the Plan (**Participants**).

Participants will be invited to purchase a specific number of Shares using a loan made to them by the Company.

The Board will administer the Plan and determine the terms of the invitations made to each Participant, including the issue price of the Shares.

Loan terms

The loan made to a Participant under the Plan may only be applied towards the purchase price for Shares. The loan will be:

- interest free;
- unsecured;
- limited recourse, meaning that if the market value of the Shares is less than the loan value at the end of the term of the loan, the Participant will not need to repay the remaining loan balance out of their own funds;
- unless otherwise determined by the Board, repayable in full on the earlier of:
 - 5 years from the date the loan is made;
 - the Participant breaching the terms on which the loan is made;

- the Participant failing to satisfy the vesting conditions attaching to the Shares granted under the LFSP;
- the Participant's cessation of employment;
- a change in control of the Company occurs.

However, a Participant may repay all or any part of the loan at any time before the repayment date.

If the Company pays cash dividends or makes capital distributions on a Participant's Shares, the after-tax value of the cash dividends paid or distributions made to a Participant will be applied to repay the loan. The balance of cash dividends (ie the estimated value of the tax payable by the Participant on the dividend) will be paid to the Participant to allow them to fund their tax liability on the dividend.

The Participant appoints the Company as their attorney to sell their Shares on a relevant repayment date and apply the sale proceeds to repay the loan (with any surplus being paid to the Participant).

Restrictions

A Participant must not transfer (or encumber or otherwise dispose of or deal with) any Shares acquired under the LFSP until the loan in respect of those Shares has been repaid in full (or, in the case of a sale permitted under the LFSP Rules, arrangements have been made for the sale proceeds to be applied towards repayment of the loan in full). Accordingly, Shares under the LFSP will be subject to a holding lock.

Rights attaching to Shares

The Shares under the LFSP will rank equally with all other fully paid ordinary shares in the capital of the Company. Participants have full entitlements attaching to their Shares, except that cash dividends and distributions will be applied to repay their loan (as described above).

Amendment

Subject to the ASX Listing Rules and the Corporations Act, the Board may amend the LFSP Rules at any time, except that any amendments which reduces Participants' rights requires consent of the affected Participants unless the amendment is primarily to comply with laws, take into consideration adverse tax implications or to correct a manifest error.

ASX Listing Rule requirement

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 13(b)) provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within the 3 years before the date of issue, shareholders have approved the issue as an exception to ASX Listing Rule 7.1.

If Resolutions 6.1 and 6.2 are passed, the Company will be able to issue securities under the LFSP to eligible participants over a period of 3 years without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1. However, any issues of securities under the LFSP to a related party (including Directors) will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

In accordance with ASX Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to the Plan:

- a summary of the terms of the LFSP is set out above.
- the LFSP was previously approved at the Company's 2018 Annual General Meeting held on 24 April 2018. The Company has issued 5,180,000 Shares under the LFSP since its last approval by Shareholders.
- The maximum number of Shares proposed to be issued under the LFSP following Shareholder approval is 3,000,000 Shares.

Corporations Act requirement - financial assistance and retirement benefits

As the Company will be providing a loan to participants under the LFSP, the LFSP will involve the giving of financial assistance by the Company to the Plan participants in relation to the acquisition of Shares.

Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares in the company if the assistance is exempt under section 260C. Pursuant to section 260C(4), financial assistance is exempt from section 260A if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company. Resolutions 6.1 and 6.2 are being put to the Shareholders for the Plan to be approved for the purposes of section 260C(4) of the Corporations Act.

Section 200B of the Corporations Act restricts the benefits that can be given to persons who hold a 'managerial or executive office' (as defined in the Corporations Act) on leaving their employment with a company. Specifically, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office in the company if the benefit is approved by shareholders, under section 200E of the Corporations Act, or an exception under section 200F, 200G or 200H of the Corporations Act applies. The term 'benefit' has a wide meaning and may possibly include benefits resulting from the Board exercising discretions under the rules of the LFSP when a Participant ceases to be employed by the Company.

Specifically, where a Participant has ceased their employment before their Shares have vested, the Board may in certain circumstances exercise its discretion to determine that some or all of the Shares will vest (and determine the basis on which vesting will occur), having regard to the relevant performance hurdles at the time the Participant's employment ceases. The exercise of these discretions may constitute a 'benefit' for the purposes of section 200B of the Corporations Act.

The Board, therefore, seeks Shareholder approval for the exercise of the Board's discretion in respect of any Participant in the LFSP who holds:

- (a) a managerial or executive office in the Company at the time of cessation of their employment or at any time in the preceding three years; and
- (b) unvested Shares under the LFSP at the time of cessation of their employment.

Provided Shareholder approval under section 200E of the Corporations Act is given, the value of these benefits will not be counted towards the cap in the termination benefits that can be given to a Participant without Shareholder approval under section 200F or section 200G of the Corporations Act.

The value of the termination benefits that the Board may give, by exercising its discretion to vest any Shares under the LFSP, cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's share price at the time of vesting and the number of Shares that the Board decides to vest.

The following additional factors may also affect the benefit's value:

- (a) the Participant's length of service and the portion of any relevant performance periods that have expired at the time they cease employment;
- (b) the Participant's total fixed remuneration at the time grants are made under the LFSP and at the time they cease employment; and
- (c) the number of unvested Shares that the Participant holds at the time they cease employment.

Accordingly, Shareholders are asked to approve, under section 200E of the Corporations Act, the giving of any benefits under the LFSP to a Participant ceasing to hold a managerial or executive office in the Company for the purpose of the Company complying with section 200B of the Corporations Act.

Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolutions 6.1 and 6.2.

7 – 12. Resolutions 7, 8, 9, 10, 11 and 12 – Approval of issue of shares under the LFSP to each of Fred Bart, Ben Greene, Peter Leahy, Ian Dennis, Geoff Brown and Kate Lundy

Resolution 7, 8, 9, 10, 11 and 12 refers to ASX Listing Rule 10.14. ASX Listing Rule 10.14 provides that the Company must not permit any Director of the Company, or any associate of them, to acquire equity securities under an employee incentive scheme without the approval of the Company's ordinary security holders. If Shareholders give approval to one or more of Resolutions 7, 8, 9, 10, 11 and 12, the relevant Director will be issued Shares under the LFSP as described above in respect of Resolution 6. If Shareholders do not give approval to one or more of Resolutions 7, 8, 9, 10, 11 and 12, the relevant Director will not be entitled to be issued Shares under the Company's LFSP.

The Board proposes to issue Shares under the LFSP to the Company's CEO and Managing Director, Ben Greene.

The Board also proposes to issue Shares under the LFSP to the following non-executive Directors:

- Fred Bart (Chairman);
- Peter Leahy;
- Ian Dennis;
- Geoff Brown; and
- Kate Lundy.

The terms of the Shares proposed to be issued to the Directors are set out below. Rationale for the issue of Shares to Directors under the LFSP

Ben Greene's participation in the LFSP will tie Mr Greene's remuneration to the long-term performance of the Company and, the Board believes, encourage him to focus on creating value for Shareholders and to remain with the Company.

The rationale for participation by non-executive Directors in the LFSP is to ensure a unified team approach to achieving common objectives of the Company and thereby seeking to enhance value for Shareholders.

Approval for the purposes of the ASX Listing Rules

ASX Listing Rule 10.14 provides that an entity must only allow directors or their associates to acquire securities under an employee incentive scheme with the approval of shareholders and provided the notice of meeting complies with the requirements set out in ASX Listing Rule 10.15.

The LFSP is an employee incentive scheme for the purposes of the ASX Listing Rules.

The Board proposes to invite Ben Greene and the abovenamed non-executive Directors to purchase Shares under the LFSP, and therefore seeks Shareholder approval for the issue of Shares to the Directors named in Resolutions 7, 8, 9, 10, 11 and 12 for the purposes of ASX Listing Rule 10.14.

Terms on which the Shares will be issued to the Directors. The Shares proposed to be issued to the Directors will be subject to both ‘Vesting Conditions’ and ‘Forfeiture Conditions’. The Directors will be required to satisfy the Vesting Conditions in order for their Shares to vest. While the Directors hold their Shares, they will be subject to Forfeiture Conditions and the Directors will forfeit their Shares if either they fail to satisfy the Vesting Conditions or they cease to be employed or continue to provide services to the Company or subsidiary of the Company (together, the **Group**) (as applicable) in certain circumstances.

Once the Vesting Conditions have been satisfied, removed or lifted, the Shares become vested and the Directors may deal with their Shares in accordance with the LFSP Rules subject to sale restrictions and other legal restrictions (such as the requirements under the Company’s securities trading policy).

The Shares will vest at the end of each ‘Vesting Period’ in the manner set out in the tables below, provided that the following conditions are met:

- (a) each Director continues to provide services to the Group on each of the vesting dates (or such other date on which the Board makes a determination as to whether the Vesting Condition has been met); and
- (b) the performance hurdles set out below are satisfied, which relate to the Company’s earnings before income interest and tax (**EBIT**) and the Company’s share price. Notably, EBIT and share price hurdles must both be achieved in order for Shares to vest under each Tranche (as described in the tables below).

To the extent Shares vest, they will be subject to sale restrictions for 6, 9, 12 and 15 months respectively as outlined in the tables.

TRANCHE A (applies to 50% of the total number of Shares to be issued to the Directors)		
Measures and hurdles	Vesting period	Vested Shares can be sold after:
a Share Price Hurdle of \$9.50 by 31 December 2021 (this hurdle must be reached on at least 30 trading days, not necessarily consecutive, by 31 December 2021)	The period of 2 calendar years ending 31 December 2021	30 June 2022 (25% of Vested Shares)
		30 September 2022 (50% of Vested Shares)
		31 December 2022 (75% of Vested Shares)
		31 March 2023 (100% of Vested Shares)
TRANCHE B (applies to 50% of the total number of Shares to be issued to the Directors)		
Measures and hurdles	Vesting period	Vested Shares can be sold after:
a Share Price Hurdle of \$11.50 by 31 December 2022 (this hurdle must be reached on at least 30 trading days, not necessarily consecutive, by 31 December 2022)	The period of 4 calendar years ending 31 December 2023	30 June 2024 (25% of Vested Shares)
		30 September 2024 (50% of Vested Shares)
		31 December 2024 (75% of Vested Shares)
		31 March 2025 (100% of Vested Shares)

If the above Vesting Conditions are not satisfied, or if the Board determines that they cannot be satisfied, the Directors will cease to retain any interest in unvested Shares (unless the Board exercises its discretion to permit those Shares to vest in accordance with the terms of the LFSP).

Resolution 7 – Approval for the issue of Shares under the Loan Funded Share Plan to Mr Fred Bart

In accordance with ASX Listing Rules 10.14 and 10.15, the following information is provided in relation to the proposed participation in the LFSP by Mr Fred Bart.

Name of the person to whom Shares are being issued

Shares are proposed to be issued to Mr Fred Bart under the LFSP.

Category of person for purposes of ASX Listing Rules 10.14.1 – 10.14.3

Mr Bart is a Director of the Company and therefore falls into the category set out in ASX Listing Rule 10.14.1.

The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought

100,000 Shares are proposed to be issued to Mr Bart under the LFSP.

Details of the director's current total remuneration package.

Mr Bart's current total remuneration package including superannuation is \$140,000

The number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid by the person for those securities

Mr Bart has previously been issued 200,000 Shares under the LFSP for an average acquisition price of \$2.99.

If the securities are not fully paid ordinary securities: a summary of the material terms of the securities, an explanation of why that type of security is being used; and the value the entity attributes to that security and its basis

The Shares to be issued to Mr Bart under the LFSP are fully paid ordinary shares.

The date or dates on or by which the entity will issue the securities to the person under the scheme. This must be no later than 3 years after the date of the meeting

The Board has resolved to issue the Shares to Mr Bart as soon as practicable following the Meeting, subject to Shareholders approving this Resolution 7, and in any case not later than 12 months after the date of this Meeting.

The price at which the entity will issue the securities to the person under the scheme

The issue price of each Share to be issued to Mr Bart will be the 'market value' of a Share on the date of issue. For the purposes of determining the issue price of each Share, the Board has determined that 'market value' will be the 20 day

volume weighted average price of Shares up to and including the trading day immediately prior to the date of issue (that is, the 20 most recent trading days on the ASX).

A summary of the material terms of the scheme

A summary of the material terms of the LFSP is set out in Resolution 6 above. The specific terms on which shares will be issued to Directors, including Mr Bart, is set out in the background to Resolutions 7 – 12 above.

A summary of the material terms of any loan that will be made to the person in relation to the acquisition

The terms of the loan granted to Mr Bart will be subject to the same conditions as those that apply to other Participants, as outlined in Resolution 6 above. The exact value of the loan to be made to Mr Bart to purchase the Shares will be an amount equal to the number of Shares issued multiplied by the issue price for those Shares (which will be determined in the manner described above).

Statement required pursuant to ASX Listing Rule 10.15.11

Details of any Shares issued under the LFSP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Shares under the LFSP after Resolution 7 is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Resolution 8 – Approval for the issue of Shares under the Loan Funded Share Plan to Mr Ben Greene

In accordance with ASX Listing Rules 10.14 and 10.15, the following information is provided in relation to the proposed participation in the LFSP by Mr Ben Greene.

Name of the person to whom Shares are being issued

Shares are proposed to be issued to Mr Ben Greene under the LFSP.

Category of person for purposes of ASX Listing Rules 10.14.1 – 10.14.3

Mr Greene is a Director of the Company and therefore falls into the category set out in ASX Listing Rule 10.14.1.

The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought

2,000,000 Shares are proposed to be issued to Mr Greene under the LFSP.

Details of the director's current total remuneration package.

Mr Greene's current total remuneration package including superannuation is \$771,000.

The number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid by the person for those securities

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Mr Greene has previously been issued 2,000,000 Shares under the Company's LFSP for an average acquisition price of \$2.99.

If the securities are not fully paid ordinary securities: a summary of the material terms of the securities, an explanation of why that type of security is being used; and the value the entity attributes to that security and its basis

The Shares to be issued to Mr Greene under the LFSP are fully paid ordinary shares.

The date or dates on or by which the entity will issue the securities to the person under the scheme. This must be no later than 3 years after the date of the meeting

The Board has resolved to issue the Shares to Mr Greene as soon as practicable following the Meeting, subject to Shareholders approving this Resolution 8, and in any case not later than 12 months after the date of this Meeting.

The price at which the entity will issue the securities to the person under the scheme

The issue price of each Share to be issued to Mr Greene will be the 'market value' of a Share on the date of issue. For the purposes of determining the issue price of each Share, the Board has determined that 'market value' will be the 20 day volume weighted average price of Shares up to and including the trading day immediately prior to the date of issue of the Shares (that is, the 20 most recent trading days on the ASX).

A summary of the material terms of the scheme

A summary of the material terms of the LFSP is set out in Resolution 6 above. The specific terms on which shares will be issued to Directors, including Mr Greene, is set out in the background to Resolutions 7 – 12 above.

A summary of the material terms of any loan that will be made to the person in relation to the acquisition

The terms of the loan granted to Mr Greene will be subject to the same conditions as those that apply to other Participants, as outlined in the background to Resolution 6 above. The exact value of the loan to be made to Mr Greene to purchase the Shares will be an amount equal to the number of Shares issued multiplied by the issue price for those Shares (which will be determined in the manner described above)

Statement required pursuant to ASX Listing Rule 10.15.11

Details of any Shares issued under the LFSP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Shares under the LFSP after Resolution 8 is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Resolution 9 – Approval of the issue of Shares under the Loan Funded Share Plan to Mr Peter Leahy

In accordance with ASX Listing Rules 10.14 and 10.15, the following information is provided in relation to the proposed participation in the LFSP by Mr Peter Leahy.

Name of the person to whom Shares are being issued

Shares are proposed to be issued to Mr Peter Leahy under the LFSP.

Category of person for purposes of ASX Listing Rules 10.14.1 – 10.14.3

Mr Leahy is a Director of the Company and therefore falls into the category set out in ASX Listing Rule 10.14.1.

The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought

100,000 Shares are proposed to be issued to Mr Leahy under the LFSP.

Details of the director's current total remuneration package.

Mr Leahy's current total remuneration package including superannuation is \$70,000.

The number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid by the person for those securities

Mr Leahy has previously been issued 200,000 Shares under the Company's LFSP for an average acquisition price of \$2.99.

If the securities are not fully paid ordinary securities: a summary of the material terms of the securities, an explanation of why that type of security is being used; and the value the entity attributes to that security and its basis

The Shares to be issued to Mr Leahy under the LFSP are fully paid ordinary shares.

The date or dates on or by which the entity will issue the securities to the person under the scheme. This must be no later than 3 years after the date of the meeting

The Board has resolved to issue the Shares to Mr Leahy as soon as practicable following the Meeting, subject to Shareholders approving this Resolution 9, and in any case not later than 12 months after the date of this Meeting.

The price at which the entity will issue the securities to the person under the scheme

The issue price of each Share to be issued to Mr Leahy will be the 'market value' of a Share on the date of issue. For the purposes of determining the issue price of each Share, the Board has determined that 'market value' will be the 20 day volume weighted average price of Shares up to and including the trading day immediately prior to the date of issue of the Shares (that is, the 20 most recent trading days on the ASX).

A summary of the material terms of the scheme

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A summary of the material terms of the LFSP is set out in Resolution 6 above. The specific terms on which Shares will be issued to Directors, including Mr Leahy, is set out in the background to Resolutions 7 – 12 above.

A summary of the material terms of any loan that will be made to the person in relation to the acquisition

The terms of the loan granted to Mr Leahy will be subject to the same conditions as those that apply to other Participants, as outlined in Resolution 6 above. The exact value of the loan to be made to Mr Leahy to purchase the Shares will be an amount equal to the number of Shares issued multiplied by the issue price of the Shares (which will be determined in the manner described above).

Statement required pursuant to ASX Listing Rule 10.15.11

Details of any Shares issued under the LFSP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Shares under the LFSP after Resolution 9 is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Resolution 10 – Approval of the issue of Shares under the Loan Funded Share Plan to Mr Ian Dennis

In accordance with ASX Listing Rules 10.14 and 10.15, the following information is provided in relation to the proposed participation in the LFSP by Mr Ian Dennis.

Name of the person to whom Shares are being issued

Shares are proposed to be issued to Mr Ian Dennis under the LFSP.

Category of person for purposes of ASX Listing Rules 10.14.1 – 10.14.3

Mr Dennis is a Director of the Company and therefore falls into the category set out in ASX Listing Rule 10.14.1.

The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought

100,000 Shares are proposed to be issued to Mr Dennis under the LFSP.

Details of the director's current total remuneration package.

Mr Dennis' current total remuneration package including superannuation is \$286,000.

The number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid by the person for those securities

Mr Dennis has previously been issued 200,000 Shares under the Company's LFSP for an average acquisition price of \$2.99.

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If the securities are not fully paid ordinary securities: a summary of the material terms of the securities, an explanation of why that type of security is being used; and the value the entity attributes to that security and its basis

The Shares to be issued to Mr Dennis under the LFSP are fully paid ordinary shares.

The date or dates on or by which the entity will issue the securities to the person under the scheme. This must be no later than 3 years after the date of the meeting

The Board has resolved to issue the Shares to Mr Dennis as soon as practicable following the Meeting, subject to Shareholders approving this Resolution 10, and in any case not later than 12 months after the date of this Meeting.

The price at which the entity will issue the securities to the person under the scheme

The issue price of each Share to be issued to Mr Dennis will be the 'market value' of a Share on the date of issue. For the purposes of determining the issue price of each Share, the Board has determined that 'market value' will be the 20 day volume weighted average price of Shares up to and including the trading day immediately prior to the date of issue of the Shares (that is, the 20 most recent trading days on the ASX).

A summary of the material terms of the scheme

A summary of the material terms of the LFSP is set out in Resolution 6 above. The specific terms on which shares will be issued to Directors, including Mr Dennis, is set out in the background to Resolutions 7 – 12 above.

A summary of the material terms of any loan that will be made to the person in relation to the acquisition

The terms of the loan granted to Mr Dennis will be subject to the same conditions as those that apply to other Participants, as outlined in Resolution 6. The exact value of the loan to be made to Mr Dennis to purchase the Shares will be an amount equal to the number of Shares issued multiplied by the issue price of the Shares (which will be determined in the manner described above).

Statement required pursuant to ASX Listing Rule 10.15.11

Details of any Shares issued under the LFSP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Shares under the LFSP after Resolution 10 is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Resolution 11 – Approval of the issue of Shares under the Loan Funded Share Plan to Mr Geoffrey Brown AO

In accordance with ASX Listing Rules 10.14 and 10.15, the following information is provided in relation to the proposed participation in the LFSP by Mr Geoffrey Brown AO.

Name of the person to whom Shares are being issued

Shares are proposed to be issued to Mr Geoffrey Brown AO under the LFSP.

Category of person for purposes of ASX Listing Rules 10.14.1 – 10.14.3

Mr Brown is a Director of the Company and therefore falls into the category set out in ASX Listing Rule 10.14.1.

The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought

100,000 Shares are proposed to be issued to Mr Brown under the LFSP.

Details of the director's current total remuneration package.

Mr Brown's current total remuneration package including superannuation is \$70,000.

The number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid by the person for those securities

Mr Brown has previously been issued 200,000 Shares under the LFSP for an average acquisition price of \$2.99.

If the securities are not fully paid ordinary securities: a summary of the material terms of the securities, an explanation of why that type of security is being used; and the value the entity attributes to that security and its basis

The Shares to be issued to Mr Brown under the LFSP are fully paid ordinary shares.

The date or dates on or by which the entity will issue the securities to the person under the scheme. This must be no later than 3 years after the date of the meeting

The Board has resolved to issue the Shares to Mr Brown as soon as practicable following the Meeting, subject to Shareholders approving this Resolution 11, and in any case not later than 12 months after the date of this Meeting.

The price at which the entity will issue the securities to the person under the scheme

The issue price of each Share to be issued to Mr Brown will be the 'market value' of a Share on the date of issue. For the purposes of determining the issue

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price of each Share, the Board has determined that 'market value' will be the 20 day volume weighted average price of Shares up to and including the trading day immediately prior to the date of issue of the Shares (that is, the 20 most recent trading days on the ASX).

A summary of the material terms of the scheme

A summary of the material terms of the LFSP is set out in Resolution 6 above. The specific terms on which shares will be issued to Directors, including Mr Brown, is set out in the background to Resolutions 7 – 12 above.

A summary of the material terms of any loan that will be made to the person in relation to the acquisition

The terms of the loan granted to Mr Brown will be subject to the same conditions as those that apply to other Participants, as outlined in Resolution 6 above. The exact value of the loan to be made to Mr Brown to purchase the Shares will be an amount equal to the number of Shares issued multiplied by the issue price of those Shares (which will be determined in the manner described above).

Statement required pursuant to ASX Listing Rule 10.15.11

Details of any Shares issued under the LFSP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Shares under the LFSP after Resolution 11 is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Resolution 12 – Approval of the issue of Shares under the Loan Funded Share Plan to Kate Lundy

In accordance with ASX Listing Rules 10.14 and 10.15, the following information is provided in relation to the proposed participation in the LFSP by Ms Kate Lundy.

Name of the person to whom Shares are being issued

Shares are proposed to be issued to Ms Kate Lundy under the LFSP.

Category of person for purposes of ASX Listing Rules 10.14.1 – 10.14.3

Ms Lundy is a Director of the Company and therefore falls into the category set out in ASX Listing Rule 10.14.1.

The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought

100,000 Shares are proposed to be issued to Ms Lundy under the LFSP.

Details of the director's current total remuneration package.

Ms Lundy's current total remuneration including superannuation is \$70,000.

The number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid by the person for those securities

Ms Lundy has previously been issued 200,000 Shares under the Company's LFSP for an average acquisition price of \$2.99.

If the securities are not fully paid ordinary securities: a summary of the material terms of the securities, an explanation of why that type of security is being used; and the value the entity attributes to that security and its basis

The Shares to be issued to Ms Lundy under the LFSP are fully paid ordinary shares.

The date or dates on or by which the entity will issue the securities to the person under the scheme. This must be no later than 3 years after the date of the meeting

The Board has resolved to issue the Shares to Ms Lundy as soon as practicable following the Meeting, subject to Shareholders approving this Resolution 12, and in any case not later than 12 months after the date of this Meeting.

The price at which the entity will issue the securities to the person under the scheme

The issue price of each Share to be issued to Ms Lundy will be the 'market value' of a Share on the date of issue. For the purposes of determining the issue price of each Share, the Board has determined that 'market value' will be the 20 day volume weighted average price of Shares up to and including the trading day immediately prior to the date of issue of those Shares (that is, the 20 most recent trading days on the ASX).

A summary of the material terms of the scheme

A summary of the material terms of the LFSP is set out in Resolution 6 above. The specific terms on which shares will be issued to Directors, including Ms Lundy, is set out in the background to Resolutions 7 – 12 above.

A summary of the material terms of any loan that will be made to the person in relation to the acquisition

The terms of the loan granted to Ms Lundy will be subject to the same conditions as those that apply to other Participants, as outlined in Resolution 6 above. The exact value of the loan to be made to Ms Lundy to purchase the Shares will be

an amount equal to the number of Shares issued multiplied by the issue price of those Shares (which will be determined in the manner described above)

Statement required pursuant to ASX Listing Rule 10.15.11

Details of any Shares issued under the LFSP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Shares under the LFSP after Resolution 12 is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

13. Resolution 13 – Approval of increase non-executive Directors' fees

Article 112 of the Company's Constitution provides that:

“The Directors shall be paid out of the funds of the Company as remuneration for their ordinary services as Directors such sum as may from time to time be determined by the Company in General Meeting. Such remuneration shall be by a fixed sum and shall not be way of a commission on or a percentage of the turnover of the Company or (except in the case of a Managing Director or other Executive Director) its profits. The sum so fixed shall be divided amongst the Directors in such proportion and manner as they shall from time to time agree or in default of agreement equally.”

ASX Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

For the purposes of ASX Listing Rule 10.17, "directors' fees" means all fees payable by the entity or any of its child entities to a non-executive director for acting as a director of the entity or any child entity (including attending and participating in any board committee meetings) and includes superannuation contributions for the benefit of a non-executive director and any fees which a non-executive director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out-of-pocket expenses, genuine "special exertion" fees paid in accordance with the entity's constitution, or securities issued to a non-executive director under ASX Listing Rule 10.11 or 10.14 with the approval of the holders of the entity's ordinary securities.

The current amount of directors' fees paid to the 5 non-executive Directors, including the Chairman, amounts to \$420,000 per annum (\$70,000 per annum per non-executive Director (excluding the Chairman) and \$140,000 per annum for the Chairman) which does not exceed the maximum previously approved by Shareholders.

The number of non-executive Directors on the Board may increase in future and the fees payable to new non-executive Directors and the Company's current non-executive Directors may be adjusted for CPI increases in the future. As such, the Board considers it is prudent and good corporate practice to seek approval for an increase of \$500,000 per annum (to \$1,000,000 per annum) in the approved maximum remuneration payable to the Company's non-executive Directors to cater for both future CPI increases and any future changes to the composition of the Board.

The following information is provided to Shareholders pursuant to ASX Listing Rule 10.17.

The amount of the increase

On 12 May 2017, Shareholders approved the maximum amount of directors' fees at \$500,000 per annum. The amount of the increase proposed by this Resolution 13 is \$500,000 per annum which, if this Resolution 13 is approved by Shareholders would mean that the maximum aggregate fees payable to non-executive Directors of the Company would increase from \$500,000 to \$1,000,000 per annum.

The maximum aggregate amount of directors' fees that may be paid to all of the entity's non-executive directors

The current maximum aggregate amount of directors' fees that may be paid to all of the Company's non-executive Directors is \$500,000 per annum. It is proposed that this be increased by \$500,000 to a maximum aggregate of \$1,000,000.

Details of any securities issued to a non-executive director under rule 10.11 or 10.14 with the approval of the holders of the entity's ordinary securities at any time within the preceding 3 years

[The following securities have been issued to non-executive Directors under ASX Listing Rule 10.11 or 10.14 with the approval of the Shareholders within the last 3 years:

- (i) 200,000 Shares issued to Mr Fred Bart under the Company's LFSP with the approval of Shareholders pursuant to ASX Listing Rule 10.14 at the Company's annual general meeting held on 24 April 2018;
- (ii) 200,000 Shares issued to Mr Peter Leahy under the Company's LFSP with the approval of Shareholders pursuant to ASX Listing Rule 10.14 at the Company's annual general meeting held on 24 April 2018;
- (iii) 200,000 Shares issued to Mr Ian Dennis under the Company's LFSP with the approval of Shareholders pursuant to ASX Listing Rule 10.14 at the Company's annual general meeting held on Tuesday 24 April 2018;
- (iv) 200,000 Shares issued to Mr Geoff Brown under the Company's LFSP with the approval of Shareholders pursuant to ASX Listing Rule 10.14 at the Company's annual general meeting held on 24 April 2018; and

- (v) 200,000 Shares issued to Ms Kate Lundy under the Company's LFSP with the approval of Shareholders pursuant to ASX Listing Rule 10.14 at the Company's annual general meeting held on 24 April 2018.

14. Approval of adoption of new Company constitution

Section 136(2) of the Corporations Act provides that a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

The Company's current Constitution was adopted in 2000. Resolution 14 is a special resolution proposing to replace the Company's Constitution to ensure that it reflects the current provisions of the Corporations Act and ASX Listing Rules and to enable the Company to better function in accordance with its constituent documents. The proposed new constitution (**Proposed Constitution**) has been approved by ASX as required under the ASX Listing Rules.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with a new constitution rather than to amend a multitude of specific provisions.

Resolution 14 is a special resolution and requires approval of 75% of the votes cast by Shareholders.

A copy of the Proposed Constitution will be sent to any Shareholder upon request to the Company Secretary, Ian Dennis, at idennis@eos-aus.com and will also be available for inspection at the office of the Company as well as on the Company's website at www.eos-aus.com/investor-centre

If Resolution 14 is passed, the Proposed Constitution will become effective from the passing of Resolution 14. A summary of the material provisions of the Proposed Constitution is set out below. This summary is not exhaustive, does not constitute a definitive statement of the rights and liabilities of Shareholders and is qualified by the fuller terms of the Constitution.

Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and on a poll, one vote for each Share held.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid share held and in respect of each partly paid share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid share bears to the total amounts paid and payable (excluding amounts credited) on that share. Amounts paid in advance of a call are ignored when calculating the proportion.

Notice of General Meeting

Meetings of members

Each Shareholder is entitled to receive notice of and, except in certain circumstances, to attend and vote at, general meetings of the Company and to receive all financial statements, notices and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules. The Company must give Shareholders at least 28 days' written notice of a general meeting.

Dividends

Subject to the Corporations Act, the Constitution and any special terms and conditions of issue, the Directors may, from time to time, pay, resolve to pay, or declare any interim, special or final dividend as, in their judgement, the financial position of the Company justifies. The Directors may fix the amount, time and method of payment of the dividends. The payment of a dividend does not require any confirmation by a general meeting. Subject to any special rights or restrictions attached to any shares or class of shares, all dividends must be paid equally on all Shares and in proportion to the number of, and the amounts paid on, the Shares held.

Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Shareholders Shares, Shares may be transferred in accordance with the ASX Settlement Operating Rules, the Corporations Act (and Corporations Regulations) and ASX Listing Rules or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements. The Board may decline to register a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules. The Company must refuse to register a transfer of shares if required to do so by the ASX Listing Rules. The Directors may suspend the registration of a transfer at such time and for such periods, not exceeding in total 30 days in any year, as they think fit as permitted by the Listing Rules and ASX Settlement Operating Rules.

Issue of further Shares

Subject to the Constitution, the ASX Listing Rules, the ASX Settlement Operating Rules and the Corporations Act, the Directors may issue Shares or grant options over unissued Shares to any person and they may do so at such times and on the conditions, they think fit. The Shares may be issued with preferred, deferred or special rights, or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise as the Directors see fit.

Preference shares

The Company may issue preference shares including preference shares which are liable to be redeemed or convertible to ordinary shares. The rights attaching

Notice of General Meeting

to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company.

Winding up

If the Company is wound up, then subject to the Constitution and the rights or restrictions attached to any shares or class of shares, any surplus must be divided among the Company's members in the proportion to the number of shares held by them (irrespective of the amounts paid or credited as paid on the shares), less any amounts which remain unpaid on these shares at the time of distribution.

Sale of non-marketable parcels

Provided that the procedures set out in the Constitution are followed, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of those Shares. A marketable parcel of Shares is defined in the ASX Listing Rules.

Share buy-backs

The Company may buy back shares in itself in accordance with the provisions of the Corporations Act and, where applicable, the ASX Listing Rules.

Proportional takeover provisions

The Constitution contains provisions requiring Shareholder approval before any proportional takeover bid can proceed. The provision will lapse three years from the date of adoption of the Constitution unless it is renewed by special resolution of Shareholders in a general meeting.

Variation of class rights

Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- with the consent in writing of the holders of 75% of the shares of the class; or
- by a special resolution passed at a separate meeting of the holders of shares of the class.

Reduction of share capital

Subject to the Constitution, Corporations Act and ASX Listing Rules, the Company may reduce its share capital in any way permissible by the Corporations Act.

Dividend reinvestment plans

The Constitution contains a provision allowing Directors to implement a dividend reinvestment plan.

Employee share plans

The Directors may implement an employee share plan for officers or employees of the Company on such terms and conditions as they think fit.

Directors – appointments and removal

Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum is ten or such other number as the Directors determine provided the proposed other number has been authorised by general meeting of the Company's members if required under the Corporations Act. The Company may elect directors by resolution. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who (other than the managing director) will then hold office until the next annual general meeting of the Company and is then eligible for election at that meeting. A Director (other than the managing director) may hold office without re-election after three years or beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected (whichever is later).

Directors – voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote in addition to his or her deliberative vote.

Directors' remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director. However, the total amount provided to all Directors (other than executive Directors) for their services as Directors must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. This amount has been fixed at \$1 million subject to approval of resolution 13 by Shareholders at this Meeting. The remuneration of a Director (who is not a managing director) must not include a commission on, or a percentage of, profits or operating revenue.

The Constitution also makes provision for the Company to pay travel and other expenses of Directors incurred in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of committees of the Board. Any Director who devotes special attention to the business of the Company or who performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director may be remunerated for the services (as determined by the Board) out of the funds of the Company.

Power and duties of Directors

Notice of General Meeting

The business and affairs of the Company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the power of the Company and are not required by law or by the Constitution to be exercised by the Company in general meeting.

Indemnities

The Company, to the extent permitted by law, indemnifies each person who is a current or former Director, executive officer or officer of the Company and such other officers or former officers of the Company or its related bodies corporate as the Directors in each case determine against all losses or liability incurred by that person as an officer of the Company or of a related body corporate of the Company including, but not limited to, a liability for negligence or for legal costs. The Company, to the extent permitted by law, may enter into and pay premiums on a contract insuring any person who is a current or former Director, executive officer or officer of the Company, and such other officers or former officers of the Company or its related bodies corporate as the Directors in each case determine, against any liability incurred by the person as an officer of the Company or of a related body corporate of the Company including, but not limited to, a liability for negligence or for legal costs.

Amendment

The Constitution may be amended only by special resolution passed by Shareholders.

Glossary

In this Notice and Explanatory Memorandum, the following terms have the following meaning unless the context otherwise requires:

Annual General Meeting or AGM or Meeting	the general meeting convened by this Notice.
Annual Report	the annual report of the Company for the year ended 31 December 2019.
ASX	ASX Limited ACN 098 624 691 or the securities market operated by it, as the context requires.
ASX Listing Rules	the listing rules of ASX.
ASX Settlement	ASX Settlement Pty Limited ACN 008 504 532.
ASX Settlement Operating Rules	The operating rules of ASX Settlement and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited ACN 001 314 503.
Board	the board of Directors of the Company.
Chairman	the chairman of the Board of the Company, being Mr Fred Bart.
Company or EOS	Electro Optic Systems Holdings Limited ACN 092 708 364.
Constitution	the constitution of the Company as amended from time to time.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
CPI	Consumer Price Index.
Director	a director of the Company.
EBIT	earnings before interest and tax.
Explanatory Memorandum or Memorandum	this explanatory memorandum forming part of the Notice of Meeting.
KMP	key management personnel of the Company, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP include the Company's Directors and certain senior executives.
LFSP	the loan funded share plan of the Company as described in the background to Resolutions 6.1 and 6.2 of the Explanatory Memorandum.

Notice of General Meeting

Notice or Notice of General Meeting or Notice of Meeting	the notice of general meeting including this Explanatory Memorandum.
Participant	a participant in the LFSP.
Placement	the placement undertaken by the Company as announced to ASX on 15 April 2020.
Proposed Constitution	the new constitution proposed to be adopted by the Company pursuant to Resolution 14 of this Notice.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a registered holder of at least one Share.

Entitlement to appoint proxies

A member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies who need not be members of the Company.

Where more than one proxy is appointed each proxy must be appointed to represent a specific proportion of the member's voting rights. A proxy need not be a member of the Company.

Lodgement of Proxy Form

Forms to appoint proxies must be lodged with the Company not later than 9.30 am on Wednesday 27 May 2020 at the Registered Office of Electro Optic Systems Holdings Limited at Suite 3, Level 12, 75 Elizabeth Street, Sydney, NSW 2000.

Proxies may also be faxed to the Registered Office of Electro Optic Systems Holdings Limited on (02) 9232 3411.

Proxies may also be emailed to the Company Secretary of Electro Optic Systems Holdings Limited at jdennis@eos-aus.com

Point at which Voting Rights are Determined

Regulation 7.11 of the Corporations Act permits the Company to specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of members will be taken for the purposes of determining member entitlements to vote at the meeting.

The Company's Directors have passed a resolution to the effect that all shares of the Company that are quoted on the ASX at 27 May 2020 at 9.30 am shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.



Electro Optic Systems Holdings Limited
ABN 95 092 708 364

EOS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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 **9:30am (AEST)** **Wednesday, 27 May 2020.**

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.

Lodge your Proxy Form:

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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: 999999
SRN/HIN: I999999999
PIN: 99999

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

By Mail:

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

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

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.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Electro Optic Systems Holdings 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 Electro Optic Systems Holdings Limited to be held virtually on Friday, 29 May 2020 at 9:30am (AEST) 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 4 and 7 (except where I/we have indicated a different voting intention in step 2) even though Items 4 and 7 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 4 and 7 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			For	Against	Abstain
2	Re-election of Mr Fred Bart as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	Approval of the issue of shares under the Loan Funded Share Plan to Mr Ben Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-election of Geoffrey Brown AO as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	Approval of the issue of shares under the Loan Funded Share Plan to Mr Peter Leahy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Approval of the issue of shares under the Loan Funded Share Plan to Mr Ian Dennis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Ratification of certain shares issued under institutional placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Approval of the issue of shares under the Loan Funded Share Plan to Mr Geoffrey Brown AO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.1	Approval of the Loan Funded Share Plan for the purposes of the ASX Listing Rules and Corporations Act	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Approval of the issue of shares under the Loan Funded Share Plan to Ms Kate Lundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2	Approval Loan Funded Share Plan approval for the purposes of the retirement benefit provisions of the Corporations Act	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	Approval of increase to non-executive Directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Approval of the issue of shares under the Loan Funded Share Plan to Mr Fred Bart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14	Approval of adoption of new Company constitution	<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

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EOS

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Computershare





Electro Optic Systems Holdings Limited

ABN 95 092 708 364

EOSRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Electro Optic Systems Holdings Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Electro Optic Systems Holdings Limited

