



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 855 080 (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 **9:30 AM (AEST) on Wednesday, 26 May 2021.**

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 on the reverse of this Proxy Form. 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 on the reverse of this Proxy Form. 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 Shareholder of Electro Optic Systems Holdings Limited ('Company').

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the Company's Share registry, please attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: Where the company has a sole director who is also the sole company secretary, this Proxy 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 Proxy 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.

PARTICIPATING IN THE MEETING

Corporate Representative

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

Lodge your Proxy Form:

XX

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
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Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders 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

XX

I/we being a member/s of Electro Optic Systems Holdings Limited hereby appoint

the Chairman of the AGM **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the AGM. 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 AGM, as my/our proxy to act generally at the AGM 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 (AGM) of Electro Optic Systems Holdings Limited to be held in the Heritage Ballroom, The Fullerton Hotel, No 1 Martin Place, Sydney, NSW 2000 on Friday, 28 May 2021 at 9:30 AM (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 AGM 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 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Items 5 and 6 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 AGM is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 5 and 6 by marking the appropriate box in step 2.

Step 2 Items of Business

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

	For	Against	Abstain
Item 2 Re-election of Mr Peter Leahy AC as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Ms Kate Lundy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Re-election of Mr David Black as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Approval of the issue of shares under the Loan Funded Share Plan to Mr David Black	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the AGM intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the AGM 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

EOS

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Computershare





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 at the following time and place:

Time: 09:30 am

Date: Friday 28 May 2021

Place: Heritage Ballroom, The Fullerton Hotel
1 Martin Place, Sydney NSW, Australia

The meeting room has a current capacity as a result of COVID-19 restrictions of 200 guests. Accordingly, shareholders are also invited to participate in the AGM online.

1. Participating in the AGM online

Shareholders can participate in the AGM online using the following link:

https://encore.com.au/EOS_AGM

Participating in the AGM online enables shareholders to view and listen to the AGM live and submit questions during the AGM via email. You will not be able to vote during the AGM. You must vote on line prior to the meeting or send your proxy form to Computershare Investor Services Pty Limited (**Computershare**) prior to 26 May 2021.

2. Voting

All votes on all resolutions to be considered at the AGM will be conducted via poll via Computershare, and the results will be announced by EOS to ASX and made available on the EOS website 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 online as per the instructions from Computershare on the enclosed proxy form.

You can also vote online using the links to Computershare website on the attached Proxy Form.

QUESTIONS

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

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

AGENDA FOR AGM

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 2020."

There is no vote on this item.

2. Re-election of Mr Peter Leahy AC as a Director

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

"That Mr Peter Leahy, who retires by rotation in accordance with clause 60.1 of the Constitution of the Company, and, being eligible, be re-elected as a Director of the Company."

3. Re-election of Ms Kate Lundy as a Director

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

"That Ms Kate Lundy, who retires by rotation in accordance with clause 60.1 of the Constitution of the Company, and, being eligible, be re-elected as a Director of the Company."

4. Re-election of Mr David Black as a Director

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

"That Mr David Black, who was appointed as an additional Director of the Company on 1 January 2021 retires in accordance with clause 59.2 of the Constitution of the Company, and, being eligible, be re-elected as a Director of the Company"

5. 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 2020 be adopted."

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

6. Approval of the issue of shares under the Company's Loan Funded Share Plan to Mr David Black

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 and subject to Mr David Black being re-elected as a director of the Company at the 2021 Annual General Meeting, Mr David Black be authorised to participate in the Loan Funded Share Plan by purchasing 150,000 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.”

DATED: 23 April 2021

By Order of the Board of Directors



Ian Dennis
Company Secretary

Electro Optic Systems Holdings Limited

ACN 092 708 364

VOTING EXCLUSION STATEMENTS

Resolutions 2 – 4 (inclusive) – Re-election of Directors of the Company

Resolutions 2 – 4 (inclusive) relate to the re-election of Directors of the Company. No voting exclusion statement applies to these Resolutions.

Resolution 5 – 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 2020, 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 6 – Approval for the issue of shares to Mr David Black, a Director of the Company under the Loan Funded Share Plan

The Company will disregard any votes cast in favour of resolution 6 by or on behalf of:

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

however, the Company will not disregard a vote cast in favour of resolution 6 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.

Electro Optic Systems Holdings Limited

ACN 092 708 364

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

This Explanatory 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, 28 May 2021. 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 15 April 2021. 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 Peter Leahy as a Director

Mr Peter Leahy was appointed to the Board as a non-executive Director on 4 May 2009.

Mr Peter Leahy is Deputy Chairman of the Company. He retired from the Australian Army in July 2008 as a Lieutenant General in the position of Chief of Army. Among his qualifications he holds a BA (Military Studies) and a Master of Military Arts and Science. He is a Professor and the foundation Director of the National Security Institute at the University of Canberra. He is a director of Codan Limited and a member of the advisory board to Warpforge Limited. In other activities he is the Chairman of the charity Soldier On, the Red Shield Appeal Committee in the ACT, the Australian Student's Veterans Association and is a member of the Advisory Council of China Matters. He is Chairman of the Audit and Risk Committee and a member of the Nominations and Remuneration Committee. He was Chairman of the Nominations and Remuneration Committee until 6 February 2020.

Mr Peter Leahy has been a Director of the Company for 11 years.

Board recommendation

The Board (with Mr Peter Leahy abstaining due to his personal interest in the resolution) recommends that Shareholders vote in favour of the re-election of Mr Peter Leahy as a Director of the Company.

3. Resolution 3 – Re-election of Ms Kate Lundy as a Director

Ms Kate Lundy was appointed to the Board as a non-executive Director on 23 March 2018.

Ms Kate Lundy served as a Senator representing the Australian Capital Territory from 1996 to 2015. During this time she held various front bench positions in both Government and Opposition, including the Minister for Sport, Multicultural Affairs and Assisting on Industry and Innovation and the Digital Economy.

Ms Kate Lundy continues to be passionate about technology and innovation. Her focus is the positive impact of technology on society, culture and the economy. In 2017, the Australian National University awarded her a Doctor of Letters (honorary doctorate) for her “exceptional contributions to advocacy and policy for information communications and technology, for the ACT and nationally.”

In 2017 Ms Kate Lundy was inducted into the Pearcey Hall of Fame for “distinguished achievement and contribution to the development and growth of the Information and Communication Technology Industry”. The Pearcey Foundation is named in honour of Dr Trevor Pearcey, an outstanding Australian ICT Pioneer, notable for his leadership of the project team that built one of the world's earliest digital computers, the CSIR Mark 1, later known as CSIRAC.

Ms Kate Lundy is a non-executive director of the Australian Grand Prix Corporation, the National Roads and Motoring Association and the Cyber Security Research Centre. She is the Chair of the National Youth Science Forum and Deputy Chair to the Board of the Canberra Institute of Technology. Kate is also a member of ACT Defence Industry Advisory Board and ACT Defence Industry Ambassador. She is a member of the Audit and Risk Committee and a member of the Nominations and Remuneration Committee.

Ms Kate Lundy has been a Director of the Company for three years.

Board recommendation

The Board (with Ms Kate Lundy abstaining due to her personal interest in the resolution) recommends that Shareholders vote in favour of the re-election of Ms Kate Lundy as a Director of the Company.

4. Resolution 4 – Re-election of Mr David Black as a Director

Mr David Black was appointed to the Board as a non-executive Director on 1 January 2021.

Before retiring from the Deloitte Touche Tohmatsu Australia partnership in 2016, Mr David Black spent 25 years with Deloitte in the UK and Australia. During that time he provided services to a range of clients including in the Defence, Manufacturing and



Government sectors. His experience includes working with growing start-up businesses, multinational corporations and the boards of ASX listed entities on complex accounting, internal and external auditing, risk management, corporate governance and due diligence engagements. He previously served as the audit partner of Deloitte Touche Tohmatsu for the Company for the periods ending from June 2005 to December 2009 and June 2012 to June 2016.

Mr David Black is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Institute of Chartered Accountants in England and Wales, has a BA(Hons) in Economics, an MBA and is a Graduate of the Australian Institute of Company Directors.

Since his retirement from Deloitte, Mr David Black has established a growing family business, The Coastal Brewing Company, and he currently sits on two Government sector audit committees, serving as the independent audit committee Chair for one and the independent audit committee member on the other.

Mr David Black has been a Director of the Company for four months

Board recommendation

The Board (with Mr David Black abstaining due to his personal interest in the resolution) recommends that Shareholders vote in favour of the re-election of Mr David Black as a Director of the Company.

5. Resolution 5 – Adoption of the Remuneration Report

The Annual Report for the year ended 31 December 2020 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.

6. Resolution 6 – Approval of issue of shares under the Company's Loan Funded Share Plan to Mr David Black

Resolution 6 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 for the purposes of this Resolution 6, Mr David Black will be issued 150,000 Shares under the Company's Loan Funded Share Plan (**LFSP**). If Shareholders do not give approval for the issue of Shares to Mr David Black pursuant to Resolutions 6, Mr David Black will not be entitled to be issued Shares under the LFSP. Furthermore, the issue of the 150,000 Shares to Mr David Black pursuant to this Resolution 6 is also conditional on Shareholders approving the re-election of Mr David Black to the Board (ie, Shareholders approving Resolution 4). Accordingly, if Shareholders do not vote in favour of Resolution 4 but vote in favour of Resolution 6, Mr David Black will **not** be entitled to be issued the 150,000 Shares under the LFSP.

The Board proposes to issue 150,000 Shares under the LFSP to Mr David Black, an independent non-executive Director. No Shares are proposed to be issued to any other Director of the Company.

The terms of the Shares proposed to be issued to Mr David Black are set out below.

Rationale for the issue of Shares to Directors under the LFSP

The rationale for participation by non-executive Directors, such as Mr David Black, 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. In particular, the Company's objectives are to achieve high growth levels and require significant levels of engagement from both management and the Board. Accordingly, the Company has set the vesting conditions (as to which see below) which must be satisfied for the Shares issued to Mr David Black by reference to increasing growth in the Company's share price to seek to motivate Mr David Black to provide such engagement and therefore continue to achieve value for Shareholders.

Approval for the purposes of ASX Listing Rule 10.14

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 that 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 Mr David Black to purchase 150,000 Shares under the LFSP, and therefore seeks Shareholder approval for the issue of 150,000 Shares to Mr David Black for the purposes of ASX Listing Rule 10.14.

Terms on which the Shares will be issued to the Director.

The 150,000 Shares proposed to be issued to Mr David Black under the LFSP (**Loan Shares**) will be subject to both 'Vesting Conditions' and 'Forfeiture Conditions'. Mr David Black will be required to satisfy the Vesting Conditions in order for his Loan Shares to vest. While Mr David Black holds the Loan Shares, they will be subject to Forfeiture Conditions and Mr David Black will forfeit the Loan Shares if either he fails to satisfy the Vesting Conditions or he ceases to be engaged to provide services to the Company or subsidiary of the Company (together, the **Group**) in certain circumstances.

Once the Vesting Conditions have been satisfied, removed or lifted, the Loan Shares will become vested and Mr David Black may deal with his Loan Shares in accordance with the rules of the LFSP (**LFSP Rules**) subject to sale restrictions and other legal restrictions (such as the requirements under the Company's securities trading policy).

The Loan Shares to be issued to Mr David Black 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) Mr David Black 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 being satisfied, which relate to the Company's share price. To the extent Loan Shares vest, they will be subject to sale restrictions for 6, 9, 12 and 15 months respectively as outlined in the tables below.

TRANCHE A (applies to 50% of the total number of Loan Shares to be issued to Mr David Black)		
Measures and hurdles	Vesting period	Vested Loan Shares can be sold after:
A Share Price Hurdle of \$9.50 by 30 June 2023 (this hurdle must be reached on at least 30 trading days, not necessarily consecutive, by 30 June 2023)	The period ending 30 Jun 2023	30 June 2023 (25% of the vested Loan Shares)
		30 September 2023 (50% of the vested Loan Shares)
		31 December 2023 (75% of the vested Loan Shares)
		31 March 2024 (100% of the vested Loan Shares)

TRANCHE B (applies to 50% of the total number of Loan Shares to be issued to Mr David Black)		
Measures and hurdles	Vesting period	Vested Shares can be sold after:
A Share Price Hurdle of \$11.50 by 30 June 2025 (this hurdle must be reached on at least 30 trading days, not necessarily consecutive, by 30 June 2025)	The period ending 30 June 2025	30 June 2025 (25% of the vested Loan Shares)
		30 September 2025 (50% of the vested Loan Shares)
		31 December 2025 (75% of the vested Loan Shares)
		31 March 2026 (100% of the vested Loan Shares)

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

In accordance with ASX Listing Rules 10.14 and 10.15, the following information is provided in relation to the proposed issue of the Loan Shares to Mr David Black.

Name of the person to whom Shares are being issued

The 150,000 Loan Shares are proposed to be issued to Mr David Black under the LFSP contingent of Resolution 4 being approved by Shareholders.

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

Mr David Black is a non-executive 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

150,000 Shares are proposed to be issued to Mr David Black under the LFSP.

Details of the director's current total remuneration package

Mr David Black'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 David Black has not previously been issued Shares under the LFSP.

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 David Black under the LFSP are fully paid ordinary shares in the Company.

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 three years after the date of the meeting:

The Board has resolved to issue the Shares to Mr David Black as soon as practicable following the Meeting, subject to Shareholders approving this Resolution 6 and Resolution 4, and in any case not later than three years 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 David Black 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 the Company's 2020 Notice of Annual General Meeting which was released to ASX on 27 April 2020 and available at www.asx.com.au. The specific terms on which the Shares will be issued to Mr David Black under the LFSP, is set out in the background to Resolutions 6.

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

The loan made to Mr David Black under the LFSP 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, Mr David Black will not need to repay the remaining loan balance out of his own funds;
- unless otherwise determined by the Board, repayable in full on the earlier of:

- 
- Five years from the date the loan is made;
 - Mr David Black breaching the terms on which the loan is made;
 - Mr David Black failing to satisfy the vesting conditions attaching to the Shares granted under the LFSP;
 - Mr Black's cessation of engagement by the Company;
 - a change in control of the Company occurs.

However, Mr David Black 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 the Shares which are issued to Mr David Black under the LFSP, the after-tax value of the cash dividends paid or distributions made to Mr David Black will be applied to repay the loan. The balance of cash dividends (ie the estimated value of the tax payable by Mr David Black on the dividend) will be paid to Mr David Black to allow them to fund his tax liability on the dividend.

Mr David Black is also required to appoint the Company as his 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 Mr David Black).

The exact value of the loan to be made to Mr David Black 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 this Resolution 6 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.

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 2020.
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.
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).
Director	a director of the Company.
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 or Loan Funded Share Plan	the loan funded share plan of the.
Notice or Notice of General Meeting or Notice of Meeting	the notice of general meeting including this Explanatory Memorandum.
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 Shareholder entitled to attend and vote at the AGM 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 Shareholder's voting rights. A proxy need not be a Shareholder of the Company.

Lodgement of Proxy Form

Forms to appoint proxies must be lodged with the Company not later than 09:30 am on Wednesday 26 May 2021 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 26 May 2021 at 09:30 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

EOSRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
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