

29 June 2020

The Manager
Market Announcements Office
ASX Limited

In accordance with Listing Rule 3.17, please see attached copy of the following documents:

1. A Letter to Shareholders regarding arrangements for the 2020 Annual General Meeting as despatched to Shareholders in lieu of the Notice of Meeting;
2. Notice of Meeting 2020; and
3. Proxy Form.

Mark Licciardo
Company Secretary
Elsight Limited

Authorised for release by the Board of Directors.

For more information on Elsieht, please contact:

Howard Digby
Elsight Limited
howarddigby@gmail.com

About Elsieht

Elsight (www.elsight.com) is a solution provider of ground-breaking hybrid video and data transport services (on-the-move or fixed) for large Safe-City projects, sensitive facilities management, and surveillance and protective activities. The platform supports data and video capturing, recording, and highly secured transmission against data and video interception and hacking. **Elsight's** platform was designed to address the most demanding requirements of Special Forces across enemy lines and sophisticated intelligence organisations. These systems underwent the most rigorous testing in combat situations as well as extensive testing by the most demanding laboratories. As a result, they present an unmatched level of reliability, lowest latency, and highest adaptive bandwidth over cellular networks that enables HD and 4K TV transmission quality, with "never-fail" redundancy and much more. For the first time they offer strict military requirements for civil usage. **Elsight's** customers range from defence and homeland security to industrial security, broadcasting, first responders and healthcare.

ACN: 616 435 753

Contact: Howard Digby, howarddigby@gmail.com

Registered Office: C/-Mertons Corporate Services Pty Ltd, Level 7/330 Collins Street, Melbourne, VIC, 3000

www.elsight.com

ASX:ELS

**Annual General Meeting of Elsieht Limited
to be held on Thursday 30 July 2020 at 4.00pm AEST (9.00am Israel time)**

Dear Shareholder

The Elsieht Limited Annual General Meeting (**AGM**) will be held at 4:00pm (AEST) on Thursday, 30 July 2020 via Zoom videoconference.

Due to the global coronavirus pandemic and associated issues, the AGM of Elsieht Limited (the **Company**) will be held virtually through the Zoom online portal. The AGM will be hosted by the Company assisted by the Company registry, Automic Group. Information about how to participate in the meeting and vote is available from the Company's website <https://elsight.com/investor-relations/>

To join the Zoom meeting, please click on the link below and then enter meeting ID: **843 6490 9744**

<https://us02web.zoom.us/j/84364909744>

In accordance with s5(1) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 (Cth), the notice of meeting, accompanying explanatory statement and annexures (the **Meeting Materials**) are being made available to shareholders electronically. This means that:

- You are able to access the Meeting Materials, including the 2019 Annual Report, online at the Company's website, <https://elsight.com/investor-relations/>
- A complete copy of the Meeting Materials has been posted on the Company's ASX market announcements page.

VOTING IS NOW OPEN. To vote online in relation to the following account, please follow the instructions below:

STEP 1: Visit <https://investor.automic.com.au/#/loginsah>

STEP 2: Enter "Elsight Limited"

STEP 3: Enter your HIN/SRN as shown on the Proxy Form accompanying this letter

STEP 4: Enter your postcode (if within Australia) or your country of residence (if outside Australia)

STEP 5: Tick the box "I'm not a robot" and click "Access"

STEP 6: Click on "Meetings" and follow the prompts on screen

Important Note: For your voting instructions to be valid and counted towards this meeting please ensure that your online lodgement is received no later than **4:00pm (AEST) on Tuesday 28 July 2020**. Voting instructions received after this time will not be valid for the scheduled meeting.

If you have any queries regarding your shareholding or the upcoming Elsieht Limited AGM, please contact Automic Group on 1300 288 664 (within Australia) or email hello@automicgroup.com.au.



Mark Licciardo
Company Secretary
Elsight Limited



(ACN 616 435 753)

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Elsieht Limited (**ELS** or the **Company**) will be held as follows:

Date: **Thursday, 30 July 2020**

Time: **4:00pm (AEST)**

Venue: **Online meeting link will be available from <https://elsight.com>**

Business

Financial Statements and Reports

To receive and consider the Company's Annual Financial Report, including the Directors' Report and the Auditor's Report for the year ended 31 December 2019.

1. Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a **non-binding ordinary resolution**:

"That the Company adopt the remuneration report for the year ended 31 December 2019 in accordance with section 250R(2) of the Corporations Act 2001 (Cth)."

Notes:

The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 1:

by or on behalf of a member of the Company's Key Management Personnel (KMP) whose remuneration details are disclosed in the remuneration report for the year ended 31 December 2019 or their closely related parties, in any capacity; or

as proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person who is entitled to vote on Resolution 1:

in accordance with the directions on the proxy form; or

by the person chairing the Meeting, in accordance with an express authorisation to exercise the proxy even though Resolution 1 is connected with the remuneration of KMP; or

by 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.

The Chairman intends to vote all available undirected proxies in favour of Resolution 1.

2. Election of Mr Peter Marks as a Director

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

"That Mr Peter Marks, who was appointed a Director during the last financial year, retires in accordance with the Company's Constitution and, being eligible, offers himself for election in accordance with Clause 14.4 of the Company's Constitution, be elected as a Director of the Company."

3. Re-election of Major General (Ret) Ami Shafran as a Director

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

"That, for the purpose of clause 14.2 of the Company's Constitution, Major General Ami Shafran a Director, retires by rotation, and being eligible, be re-elected as a Director."

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

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

"That, for the purpose of clause 14.2 of the Company's Constitution, Mr David Furstenberg a Director, retires by rotation, and being eligible, be re-elected as a Director."

5. Approval of Additional 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities of up to 10% of the total issued share capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 over a 12 month period and on the terms and conditions set out in the Explanatory Memorandum."

6. Approval of the Employee Share Option Plan

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

"That the shareholders renew the approval of the Company's existing Employee Share Option Plan for the purposes of ASX Listing Rules 7.1 and 7.2 Exception 13(b), sections 200B and 200E of the Corporations Act 2001, and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Memorandum accompanying this notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 6 by or on behalf of a director or employee of the Company (except a director or employee who is ineligible to participate in the Employee Share Option Plan in relation to the Company (or any of their associates)).

However, the Company will not disregard a vote if it is cast by;

- a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or,
- the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy 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.

7. Ratification of issue of ordinary shares pursuant to ASX Listing Rule 7.4

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

“That in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 9,000,000 fully paid ordinary shares in the capital of the Company, details of which are set out in the Explanatory Memorandum attached.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 7 by any participant in the placement as outlined in the Explanatory Memorandum accompanying this notice of Meeting and any of their associates, unless the vote is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides;
- It is cast by 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.

The Chairman will vote all available undirected proxies in favour of this Resolution 7.

8. Approval of issue of Options to Ms Susanna Gabay or her nominee in accordance with Listing Rule 10.14

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

“That approval be given, pursuant to ASX Listing Rule 10.14, for the issue of 100,000 unlisted Options over Ordinary Shares under the terms of the Company’s current Employee Share Option Plan to Ms Susanna Gabay or her nominee, details of which are set out in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 8 by:

- (a) Ms Gabay; and
- (b) Any of her associates.

However, the entity need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
- It is cast by 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.

The Chairman intends to vote all available undirected proxies in favour of Resolution 8.

Other information

An Explanatory Memorandum accompanies and forms part of this notice of Annual General Meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

Voting by proxy

Any Shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder. The proxy does not need to be a Shareholder of the Company and can be either an individual or a body corporate. A Shareholder can appoint a proxy by completing and returning a signed proxy form.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- (c) appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth) (the **Corporations Act**); and
- (d) provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions.

If your proxy does not attend the Meeting, the Chairman will become your proxy by default. The Chairman intends to vote in favour of all resolutions on the agenda.

If you appoint the Chairman of the Meeting as your proxy or the Chairman of the Meeting is appointed as your proxy by default, and you do not provide any voting directions on your proxy form, by completing and returning the proxy form you will be expressly authorising the Chairman of the Meeting to cast your vote as he sees fit. If you intend to appoint a member of the KMP (other than the Chairman) or any of their closely related parties as your proxy on Resolution 1, please ensure that you direct them how to vote on Resolution 1.

Proxies must be lodged at the Company's share registry, Automic Registry Services

no later than 4:00pm (AEST) on Tuesday, 28 July 2020.

Address (postal deliveries): Automic
GPO Box 5193, Sydney NSW 2001

Email for lodgement: meetings@automicgroup.com.au

The proxy form has been enclosed. Please read all instructions carefully before completing the proxy form.

Online Voting

Please visit <https://investor.automic.com.au/#/loginsah> to submit your voting intentions.

Entitlement to vote

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that for the purposes of the meeting shares will be taken to be held by the persons who held them as registered Shareholders at 7.00 pm (AEST) on Tuesday, 28 July 2020. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Voting Intentions

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda.

In respect of all available undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda.

Questions and Comments by Shareholders at the Meeting

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders - as a whole - to ask questions or make comments on the management of the Company at the Annual General Meeting. Due to the current global pandemic and limitations of the available technology, relevant written questions must be submitted no later than 5:00pm (AEST) on Wednesday, 29 July 2020 via <https://elsight.com>. A list of those questions will be made available to Shareholders attending the meeting. A representative who has been designated by management of the Company will either answer questions at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be made available to Shareholders as soon as practicable after the meeting.

Similarly, a reasonable opportunity will be given to Shareholders - as a whole - to ask questions to the Company's external Auditor, BDO Audit (WA) Pty Ltd, relevant to:

- (a) the conduct of the audit;
- (b) the preparation and contents of the audit;
- (c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to BDO Audit (WA) Pty Ltd if the question is relevant to the content of BDO Audit (WA) Pty Ltd's audit report or the conduct of its audit of the Company's financial report for the year ended 31 December 2019.

Relevant written questions to BDO Audit (WA) Pty Ltd must be submitted no later than 5:00pm (AEST) on Thursday 23 July 2020. A list of those questions will be made available to Shareholders attending the meeting. BDO Audit (WA) Pty Ltd will either answer questions at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be made available to Shareholders as soon as practicable after the meeting.

Please send written questions for BDO Audit (WA) Pty Ltd to:

By facsimile - +61 3 9602 4709;

Post to – C/ Mertons Corporate Services Pty Ltd – Level 7, 330 Collins Street, Melbourne VIC 3000

By order of the Board

Mark Licciardo
Company Secretary

23 June 2020



(ACN 616 435 753)

Explanatory Memorandum

This Explanatory Memorandum sets out further information regarding the proposed resolutions to be considered by Shareholders of Elsieht Limited (**ELS** or the **Company**) at the 2020 Annual General Meeting to be held commencing at 4:00pm on Thursday 30 July 2020 at online meeting link, which will be available from <https://elsight.com>.

The Directors recommend that Shareholders read this Explanatory Memorandum before determining whether or not to support the resolutions.

Financial Statements and Reports

Under section 317 of the Corporations Act, ELS is required to lay its Annual Financial Report, Directors' Report and Auditor's Report before its Shareholders at its Annual General Meeting. The Annual Financial Report is submitted for Shareholders' consideration and discussion at the Annual General Meeting as required. Meeting attendees are invited to direct questions to the Chairman and/or the Auditor in respect of any aspect of the report they wish to discuss. There is no requirement, either in the Corporations Act or the Company's Constitution, for Shareholders to approve the reports.

Representatives of ELS's auditor, BDO Audit (WA) Pty Ltd, will be present for discussion purposes on matters of relevance to the audit.

Shareholders can access a copy of the annual report on the Company's website at <https://elsight.com>

Resolution 1 – Adoption of Remuneration Report

Board recommendation and undirected proxies. The Board recommends that Shareholders vote in **FAVOUR** of Resolution 1. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 1.

Resolution 1 provides Shareholders the opportunity to vote on ELS's Remuneration Report. The Remuneration Report is contained in the Directors' Report. Under section 250R(2) of the Corporations Act, ELS must put the adoption of its Remuneration Report to a vote at its Annual General Meeting.

This vote is advisory only and does not bind the Directors or ELS.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at this meeting when reviewing ELS's remuneration policies. If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of ELS's Directors other than the Managing Director must be offered up for election.

Key Management Personnel (including Directors) and their closely related parties must not cast a vote on the Remuneration Report, unless as holders of directed proxies for Shareholders eligible to vote on Resolution 1.

ELS encourages all Shareholders to cast their votes on this resolution. The Chairman intends to vote all available undirected proxies in favour of this resolution. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

Resolution 2 - Election of Peter Marks as a Director

Board recommendation and undirected proxies. The Board (other than Mr Marks) recommends that Shareholders vote in **FAVOUR** of Resolution 2. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolutions 2.

Mr Marks, who was appointed to the Board during the last financial year and who, being eligible, offers himself for election in accordance with Clause 14.3 of the Company's Constitution, as a Director of the Company.

Mr Marks was appointed to the Board on 9 January 2020.

Mr Marks has over 30 years' experience in corporate advisory and investment banking. Over the course of his esteemed career, he has specialized in capital raising IPOs, cross border, M&A transactions, corporate underwriting and venture capital transactions for companies in Australia, the US and Israel. He has been involved in a broad range of transactions with a special focus in the life sciences, biotechnology, medical technology and high tech segments. Peter has served as both an Executive and Non-Executive Director of a number of different entities which have been listed on the ASX, NASDAQ, and AIM markets.

Resolution 3 – Re-election of Major General (Ret) Ami Shafran as a Director

Board recommendation and undirected proxies. The Board (other than Major General Shafran) recommends that Shareholders vote in **FAVOUR** of Resolution 3. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 3.

Clause 14.2 of the Company's Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. Major General Shafran, who has served as a director since 2 June 2017, retires by rotation and seeks re-election.

Major General Shafran is the former Head of the Israeli Defence Force Information and Communications Technology Command. In addition, he is currently the Head of the Center for Cyber Technology at Ariel University in Israel.

Over the course of his extensive career, Major General Shafran held numerous prestigious and prominent positions in the Defence and Intelligence forces of the Israeli Defence Force, including serving as its Chief Scientist, service as Chief of Staff of the Ministry of Defence, and the Research and Development Attach at the Israeli Embassy in Washington DC.

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

Board recommendation and undirected proxies. The Board (other than Mr Furstenberg) recommends that Shareholders vote in **FAVOUR** of Resolution 4. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 4.

Clause 14.2 of the Company's Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. Mr Furstenberg, who has served as a director since 2 June 2017, retires by rotation and seeks re-election.

Mr Furstenberg has held various senior CEO, Chairman, Board member and VP Global sales positions in a number of publicly traded and privately owned companies, including Comverse (NASDAQ: CNSI) and Audiocodes (NASDAQ: AUDC), Enure, and Vista (a subsidiary of Israel Aerospace Industries).

Most recently, Mr Furstenberg was the active Chairman at NovelSat and the CEO at InsurBit, as well as a director of White Cyber Knight Ltd Insurix Inc., all companies involved in cyber and security businesses in some form.

Mr Furstenberg has built a speciality in assisting with the turnaround of high tech companies through product and market repositioning (as opposed to reduction in force).

Resolution 5 – Approval of Additional 10% Placement Capacity

Board recommendation and undirected proxies. The Board recommends that Shareholders vote in **FAVOUR** of Resolution 5. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 5.

ASX Listing Rule 7.1A provides that an eligible entity (as defined below) may seek Shareholder approval by special resolution at its Annual General Meeting to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a period of 12 months after the Annual General Meeting (10% Placement Capacity). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

If Shareholders approve Resolution 5, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

An eligible entity is one that, as at the date of the relevant Annual General Meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$33,710,229 (based on the number of Shares on issue which excludes restricted securities and the closing price of Shares on the ASX on 19 June 2020).

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company currently has one class of quoted equity securities on issue, being Shares (ASX Code: ELS).

The number of equity securities that the Company may issue under the approval sought by Resolution 5 will be calculated in accordance with the following formula as set out in ASX Listing Rule 7.1A:

$$(A \times D) - E$$

Where:

A = the number of fully paid Shares on issue 12 months before the date of issue or agreement to issue:

- (i) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid Shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months under Listing Rules 7.1 and 7.4; and
- (iv) less the number of fully paid Shares cancelled in the 12 months.

D = 10%.

E = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of the Shareholders under Listing Rule 7.1 or 7.4.

Technical information required by Listing Rule 7.1A

While the Company does not have any immediate plans to issue shares, purposes for which shares may be issued pursuant to Resolution 5 may include the raising of capital to facilitate further investment opportunities.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 5:

Minimum Price: Under the ASX Listing Rules, the minimum price at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

Risk of voting dilution: Shareholders should be aware there is a risk of economic and voting dilution that may result from an issue of equity securities under the 10% Placement Capacity, including the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting where approval is being sought; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the date of issue.

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any equity securities under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of the Shares and the current number of Shares on issue as at the date of this Notice of Meeting. The table also assumes that no options on issue are exercised into Shares before the date of issue of the equity securities.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.¹

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.158 50% decrease in Issue Price	\$0.315 Issue Price	\$0.630 100% increase in Issue Price
Current Variable A 107,016,599	10% Voting dilution	10,701,660	10,701,660	10,701,660
	Funds raised	\$ 1,685,511	\$ 3,371,023	\$ 6,742,046
50% increase in current Variable A 160,524,899	10% Voting dilution	16,052,490	16,052,490	16,052,490
	Funds raised	\$ 2,528,267	\$ 5,056,534	\$ 10,113,069
100% increase in current Variable A 214,033,198	10% Voting dilution	21,403,320	21,403,320	21,403,320
	Funds raised	\$ 3,371,023	\$ 6,742,046	\$ 13,484,091

¹ The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of shares available under ASX Listing Rule 7.1A;
- (ii) The table shows only the effect of shares issues under ASX Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1;
- (iii) The current issue price is \$0.315, being the closing price of the shares on ASX on 19 June 2020.
- (iv) The current number of shares on issue is the shares on issue as at 22 June 2020 being 107,016,599.

The table shows:

- two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro rata entitlements issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

Date of Issue: If Shareholder approval is granted for Resolution 5, then that approval will expire on the earlier of:

- (i) 31 July 2021, being 12 months from the date of the Meeting; or
- (ii) the date Shareholder approval is granted to a transaction under ASX Listing Rule 11.1.2 (proposed change to nature and scale of activities) or ASX Listing Rule 11.2 (change involving main undertaking); or
- (iii) the time and date of the Company’s next annual general meeting.

The approval under ASX Listing Rule 7.1A will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

Purpose of Issue under 10% Placement Capacity: The Company may issue equity securities under the 10% Placement Capacity for various purposes including the following:

- (i) as cash consideration in which case the Company intends to use funds raised to intensify and aggressively pursue its stated intention to separate the individual business units within the Company according to its six main and autonomous businesses; or
- (ii) as non-cash consideration for the acquisition of additional assets, as yet not identified, that are complimentary to the Company’s existing business.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

Allocation under the 10% Placement Capacity: The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the equity securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Previous Approval under ASX Listing Rule 7.1A: The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at the 2019 Annual General Meeting held on 31 May 2019.

Information required under ASX Listing Rule 7.3A.6: The Company has not issued or agree to issue any equity securities under LR 7.3A.6 in the 12 months preceding the date of this meeting.

Resolution 6 – Approval of the Employee Share Option Plan

Board recommendation and undirected proxies. As the Directors are excluded from voting upon this resolution pursuant to the ASX Listing Rules, the directors will not make a recommendation to shareholders with respect to vote in relation to this Resolution 6.

The Company has previously adopted an Employee Share Option Plan (ESOP or Plan) to foster an ownership culture within the Company and to motivate senior management and Directors to achieve performance targets of the Company. Selected employees, consultants and officers of the Company and the Directors are eligible to participate in the Plan at the absolute discretion of the Board. The Board also remains committed to incentivising and retaining the Company's directors and other personnel in a manner which promotes alignment of their interests with shareholder interests, whilst at the same time offering eligible participants market-competitive remuneration arrangements.

At the same time, the Company desires to maintain maximum ability to raise capital in accordance with ASX Listing Rule 7.1 without seeking prior shareholder approval. Accordingly, the Board seeks further shareholder approval of the Company's existing employee share option Plan for the purposes of ASX Listing Rule 7.2 Exception 13(b).

A summary of the Employee Share Option Plan is set out below.

The Directors abstain from making a recommendation on Resolution 6 as they are eligible to participate in the Employee Share Plan (subject to shareholder approval) and therefore have a potential personal interest in the matter. Subject to the below voting exclusions, the Chairman intends to vote undirected proxies in favour of this resolution.

6.1 ASX Listing Rules

Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12 month period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

Listing Rule 7.2 exception 13 provides that an issue of securities under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if the issue of securities is made under an employee incentive scheme and that employee incentive scheme was summarised in the notice of meeting under which the Plan was last approved, being no more than three years before the relevant date of issue of the securities. The Employee Share Plan is regarded as an employee incentive scheme for the purposes of Listing Rule 7.2 and this Resolution 6 seeks shareholder approval for the Plan to meet the 3 year approval requirement.

The Company intends that any issue of shares under the Employee Share Plan does not detract from the Company's Listing Rule 7.1 15% entitlement. Accordingly, it is seeking shareholder approval of the Plan in order for the Company to be able to issue shares pursuant to the Employee Share Plan (Plan Shares) and have those shares qualify under exception 13 to Listing Rule 7.2.

6.2 Information required for Listing Rule 7.2 Exception 13(b)

Listing Rule 7.2 Exception 13(b) requires the information detailed in sections (a), (b) and (c) below to be provided to members for approval under this resolution:

(a) Shares already issued

The Company has issued 8,620,000 Options pursuant to the Employee Share Option Plan to the date of this Notice of Meeting.

(b) Employee Share Option Plan Summary

From time to time, and in its absolute discretion, the Board may invite employees and other eligible personnel of the Company (including the directors) to apply for Options under the Plan. The key terms of the Plan, are set out in the table below.

(c) Voting Exclusion Statement

The applicable voting exclusion statement for the purposes of Listing Rule 7.2 exception 13(b), under this Resolution 6, appears above in the Notice of Meeting.

Further Voting restrictions

As Resolution 6 could relate to the provision of an Employment Retirement Benefit, in accordance with section 200E(2A) of the Corporations Act, a vote on Resolution 6 must not be cast (in any capacity) by or on behalf of any person who may be entitled to receive a benefit in connection with that person's retirement from a managerial or executive office in the Company (or any related body corporate), or an associate of that person. However, a person is entitled to cast a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- (b) it is not cast on behalf of the retiree or an associate of that person.

6.3 Termination benefits under the Plan

Section 200B of the Corporations Act requires shareholder approval by ordinary resolution, and in accordance with the special provisions of s 200E of the Act, in order to access the exemption from the prohibition on a company giving a person a benefit in connection with that person's retirement from an office or position of employment in that company where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office in that company.

The Plan allows the Board, in its discretion and subject to the Listing Rules, to vary or amend the terms of the Plan, which may include an amendment to allow an acceleration of vesting of share entitlements on a retirement, which could constitute a benefit otherwise prohibited under Section 200B. In order to give the Board flexibility to exercise its discretions under the Plan to the extent that an acceleration of vesting could be regarded as providing a person a benefit in connection with that person's retirement from an office or position of employment (Employment Retirement Benefit), shareholder approval for the purposes of sections 200B and 200E of the Corporations Act 2001 is being sought.

For a section 200B benefit to be allowed, section 200E requires that this Notice of Meeting provide shareholders with either the value of the proposed benefits or, where the value of the proposed benefits cannot currently be ascertained, the manner in which the value of the proposed benefits is calculated, and the matters, events and circumstances that will, or are will likely to, affect the calculation of the value.

Value of termination benefits

The Board has not determined that it will exercise discretion to grant any Employment Retirement Benefits. In the circumstances of a possible Employment Retirement Benefit, the value of the benefits that the Board may give under the Plan cannot be determined in advance, as many of the factors that will or are likely to affect that value will not be known until the time the benefit is decided to be awarded (if at all).

Specifically, the value of an Employment Retirement Benefits will depend on a number of factors, including the Company's share price at the time.

Summary of the Elsie Limited Employee Share Option Plan

The Company has adopted an employee share option plan (ESOP). The key terms of the ESOP are set out below:

- (a) The ESOP is intended to provide an incentive to retain, in the employment or service or directorship of the Company persons of training, experience and provide the ability to attract new employees, directors or consultants whose services are considered valuable.
- (b) The Board administers the ESOP.
- (c) The persons eligible to participate in the ESOP include any employees, directors and consultants of the Company or any subsidiary of the Company.
- (d) The Company will comply with laws relevant in the jurisdiction in which a recipient lives, including initially appointing a trustee to hold the Options under the ESOP for the recipients in Israel.
- (f) The exercise price of the Options shall be determined by the Board.
- (g) Options issued under the ESOP may be subject to adjustments where:
 - (i) the Company is separated, reorganised, merged, acquired or consolidated with or into another corporation, the Board may determine that any vesting conditions that have not yet been satisfied shall be accelerated so that any unvested options become immediately vested;
 - (ii) a share dividend, share split, combination or exchange of shares, recapitalisation or any other like event, the options issued under the ESOP shall be likewise adjusted;
 - (iii) if all or a substantial portion of the Shares in the Company are sold under a merger or reorganisation, then the options under the ESOP on issue will be accelerated to enable the holders to participate in the merger.
- (h) Upon the termination of any holder's employment with the Company, any unvested options will immediately expire.
- (i) Unless otherwise prescribed by the Board, upon the termination of a holder's employment with the Company, any vested options remain on issue in accordance with their terms, unless the employment is terminated by the Company for cause, or the termination is as a result of death or disability (in which case the options must be exercised within 12 months from the effective date of termination).
- (j) Options issued under the ESOP are generally not transferable.
- (k) The ESOP shall remain effective for the period of 10 years from the date of its adoption.
- (l) The Board of the Company may alter or amend the ESOP at any time, except that no amendment shall be made which would impair the rights of the holder of any options already granted.
- (m) The ESOP remains subject to the laws in any jurisdiction in which the Company operates and any rules imposed by ASX.

Resolution 7 - Ratification of issue of ordinary shares pursuant to ASX Listing Rule 7.4

ASX Listing Rule 7.1 imposes a cap on the number of securities that a company may issue within the 12 month period. ASX Listing Rule 7.4 provides that an issue of equity securities made without Shareholder approval under Listing Rule 7.1 is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach Listing Rule 7.1. The issues of the shares described below did not breach any Listing Rules and shareholder ratification to those issues is now sought.

In order to restore the Company's capacity to issue shares, it is proposed that the Members ratify the issue of ordinary shares as detailed below. Ratification provides the Company with flexibility in capital management and allows the Company to make further issues for working capital or other purposes as required.

On 14 January 2020 the Company issued 9,000,000 fully paid ordinary shares in the capital of the Company at an issue price of \$0.32 per share to the participants in the placement outlined below, to accelerate sales and marketing efforts for its Halo v1.1 communications platform and the release of over 90 Halo v1.1 units to prospective customers for POC testing. In addition the funds were used as working capital for the manufacture of further products.

Name	No. of fully paid ordinary shares
David Li Kwok Po	6,000,000
Daniel Hegglin	2,000,000
Trophy Asia Strategic Fund	400,000
Trophy Fund	300,000
Trophy Global Leaders Fund	300,000

The fully paid ordinary shares were issued pari passu to existing securities.

Board recommendation and undirected proxies. The Board recommends that Shareholders vote in **FAVOUR** of Resolution 7. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 7.

Resolutions 8 – Approval of issue of Options to Ms Susanna Gabay or her nominee in accordance with Listing Rule 10.14

Board recommendation and undirected proxies. The Board (other than Mr Gabay, to whom Ms Gabay represents a related party) recommends that Shareholders vote in **FAVOUR** of Resolution 8. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 8.

The proposed grant is in respect of 100,000 Options to be issued to Ms Gabay as an employee of the Company in lieu of cash based remuneration and under the terms of the current Employee Share Option Plan within one month of the date of the Annual General Meeting. Remuneration in this manner was introduced to reduce the cash outgoings of the Company as part of a cost cutting initiative during the COVID-19 pandemic and aligns the Company's rewards to employees with those of Shareholders. The 100,000 Options are exercisable at an exercise price of \$0.28.

Ms Gabay is considered a related party of the Company by virtue of her being the spouse of Managing Director, Mr Nir Gabay. ASX Listing Rule 10.14.2 requires Shareholder approval for the proposed grant of Options under an employee incentive scheme where the recipient is a person who is an associate of a director of the Company. If Shareholder approval is given under Listing Rule 10.14, Shareholder approval is not required under Listing Rule 7.1.

The Options will be issued for nil consideration and accordingly no funds will be raised by the grant of Options to the Ms Gabay. However upon exercise of the Options the funds subscribed for shares will be employed for working capital.

The terms of the options are as follows:

- The Company will issue Ms Gabay or her nominee 100,000 Options within one month of the Annual General Meeting, if Shareholders give their approval to the grant;
- 50% of the Options will vest one year from the grant date being 23 April 2020

- Remaining 50% of the Options will vest over 3 years on a quarterly basis;
- The Options remain valid only while Ms Gabay remains an employee of the Company, its subsidiaries or related entities;
- The Options expire 5 years from the grant date;
- Upon the termination of Ms Gabay's employment with the Company, any unvested options will immediately expire;
- The Options are subject to the ASX Listing Rules relating to capital reorganisation. The rights of an Option holder may be changed to comply with the listing rules applying to a reorganisation of capital at the time of the reorganisation.

Notwithstanding that the terms of the Options provide for them to be granted within three months of the meeting, ASX Listing Rule 10.14 provides that such securities be granted no later than one month after the date of this meeting.

Glossary

In this Explanatory Memorandum, and the Notice of Meeting:

Board means the Board of Directors of the Company.

Company means Elsieht Limited.

Constitution means the Constitution of the Company.

Director means a Director of the Company.

Explanatory Memorandum means this Explanatory Memorandum which forms part of the Notice of Meeting.

ASX Listing Rules means the listing rules of the ASX Limited.

Meeting means the Annual General Meeting of the Company the subject of this Notice of Meeting scheduled to occur on Thursday, 30 July 2020.

Shareholder means a holder of a Share.

Share means a fully paid ordinary share in the capital of the Company.

Holder Number:

Vote by Proxy: ELS

Your proxy voting instruction must be received by **4.00pm (AEST) on Tuesday, 28 July 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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 the Shareholders 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 Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.






ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



Contact	Return your completed form		All enquiries to Automic	
	 BY MAIL Automic GPO Box 5193 Sydney NSW 2001	 IN PERSON Automic Level 5, 126 Phillip Street Sydney NSW 2000	 BY EMAIL meetings@automicgroup.com.au	 WEBCHAT https://automic.com.au/  PHONE 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

STEP 1: Appoint Your Proxy	Complete and return this form as instructed only if you do not vote online I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Elsight Limited, to be held online at 4pm (AEST) on Thursday, 30 July 2020 - Online Meeting link available from https://elsight.com/ hereby:
	Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

STEP 2: Your Voting Direction	Resolutions	For	Against	Abstain
	1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Election of Mr Peter Marks as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Re-election of Major General (ret) Ami Shafran as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4. Re-election of Mr David Furstenberg as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5. Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6. Approval of the Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7. Ratification of issue of ordinary shares pursuant to ASX Listing Rule 7.4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	8. Approval of issue of Options to Ms Susanna Gabay or her nominee in accordance with Listing Rule 10.14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<i>Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</i>			

STEP 3: Sign Here + Contact Details	SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
	<input type="text"/>		
Email Address:			
<input type="text"/>			
Contact Daytime Telephone			
<input type="text"/>			
Date (DD/MM/YY)			
<input type="text"/> / <input type="text"/> / <input type="text"/>			
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			