



**ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED**

ABN 095 708 364

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[www.eos-aus.com](http://www.eos-aus.com)

## **2023 Annual General Meeting – Notice of Meeting**

**Canberra, 21 April 2023**

Attached is the Notice of Meeting and Voting Form in respect of the 2023 Annual General Meeting for Electro Optic Systems Holdings Limited (ASX: EOS) which is being held at the offices of MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000 on Tuesday, 23 May 2023 at 9.00am AEST.

**Authorised for release by the board of Electro Optic Systems Holdings Limited.**

Further information:

Marguerite Wilson

[enquiry@eos-aus.com](mailto:enquiry@eos-aus.com)

### **ABOUT ELECTRO OPTIC SYSTEMS (ASX: EOS)**

#### **EOS operates in two divisions: Defence Systems and Space Systems**

**Defence Systems** specialises in technology for weapon systems optimisation and integration, as well as ISR (Intelligence, Surveillance and Reconnaissance) and C4 systems for land warfare. Its key products are next-generation remote weapon systems, vehicle turrets, high-energy laser weapons (directed energy), as well as fully integrated and modular counter-UAS and C4 systems.

**Space Systems** includes all EOS space and communications businesses, and operates as two entities – Space Technologies and EM Solutions. Space Technologies specialises in applying EOS-developed optical sensors and effectors to detect, track and characterise objects in space. It includes capabilities in the domain of space control and space warfare. EM Solutions delivers world-leading RF and optical space communications technology. Its core product range centres around the development and production of high-end, broadband radio transceivers for satellite communications as well as satellite communications-on-the-move terminals for defence and government customers.



**2023**  
**Notice of**  
**Annual General Meeting**

**Tuesday 23 May 2023**  
**9.00am AEST**

**Electro Optic Systems Holdings Limited**  
**ACN 092 708 364**



## Participation in the AGM

The Annual General Meeting (**AGM**) of Electro Optic Systems Holdings Limited (**EOS** or **Company**) will be held on Tuesday 23 May 2023 commencing at 9.00am (AEST) at the offices of MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

### Shareholders can participate in the AGM in the following ways:

#### Before the AGM

##### AGM Notice of Meeting

Access online at  
<https://www.eos-aus.com/investor-centre>

Request a hard copy of the Notice of Meeting by phone at 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia)

##### Vote or appoint proxy

Return the hard copy Voting Form or vote online at  
[www.investorvote.com.au](http://www.investorvote.com.au)

To be valid, your Direct Vote or proxy appointment must be received by  
**9.00am AEST on Sunday 21 May 2023**

##### Ask a question

Submit questions online at  
<http://www.investorcentre.com/>  
contact by 5.00pm on  
**Wednesday, 17 May 2023**

#### At the AGM

##### Attend the AGM in person

The AGM will be held at the offices of MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place Sydney NSW 2000.

We ask that you do not attend the AGM if you feel unwell or have been in contact with someone who may have been affected by COVID-19.

Shareholders, proxyholders, body corporate representatives or attorneys attending the meeting in person will be able to ask questions or make a comment and vote at the meeting.

If you would like to receive a printed copy of this Notice or any future Notices, please contact the Share Registry on 1300 855 080.



## Chair's message

21 April 2023

**Dear EOS Shareholder,**

On behalf of the Board, I am pleased to invite you to attend the AGM of Electro Optic Systems Holdings Limited which will be held on Tuesday, 23 May 2023 commencing at 9.00am (AEST) at the offices of MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place Sydney NSW 2000.

### **Participation in the AGM**

Please read the Notice of Meeting (including the Explanatory Memorandum) and the Voting Form and consider how to vote on each resolution related to the items of business of the AGM. Subject to the abstentions noted in the Explanatory Memorandum, the Directors of EOS recommend that Shareholders vote in favour of the resolutions in Items 2 - 9 and against the resolution in Item 10.

If you are unable to attend the AGM, I encourage you to vote online no later than 9.00 AEST on Sunday, 21 May 2023.

Shareholders will have the opportunity to submit questions or make comments prior to the AGM or during the AGM, and details of how to do this is outlined in the attached Notice of Meeting.

### **Board renewal**

I joined the Board as non-executive chair on 24 November 2022 and am seeking election at this AGM. Mr David Black will stand for re-election as a non-executive director.

Following the retirement of Ms Deena Shiff, Mr Robert Kaye SC, Mr Peter Leahy AC and Dr Ben Greene, the board's renewal plan is focused on recruiting new independent directors to ensure we have the right mix of skills and experience to govern and guide the Company.

### **CEO appointment**

The board appointed Dr Andreas Schwer as Chief Executive Officer (**CEO**) on 01 August 2022. Dr Schwer has an extensive understanding of the Company's global operations having previously acted as President of EOS EMEA (Europe, Middle East and Africa) for two years where he oversaw the expansion of the Company's activities in the NATO and Middle East markets. Dr Schwer has had a long international career in defence, manufacturing and space industries and is ideally positioned to lead the Company.

### **Our response to the remuneration report strike**

A focus for the Board was our response to the first strike against the remuneration report received at the AGM held on 27 May 2022. The Board took this 'first strike' seriously and has invested time to understand shareholder concerns. The Board has also conducted a detailed review on executive pay following consultation with proxy advisors, Shareholders, and other stakeholders to understand their concerns.



As a result, changes and adjustments were made to the executive remuneration framework and approach, effective from 1 January 2023, to address the concerns of Shareholders that led the first strike.

This year, we have also worked to improve the transparency of our remuneration report disclosures contained in our 2022 Annual Report. I encourage you to read our 2022 Annual Report which also provides a detailed overview of the Company's performance last year [www.eos-aus.com/investor-centre](http://www.eos-aus.com/investor-centre).

**Welcome to the AGM**

Thank you for your continued support of EOS and commitment to our company. I look forward to welcoming you to the AGM and to this opportunity to engage with Shareholders to hear your views. My address and that of the CEO will be lodged with the ASX and made available on EOS's website on the morning of the meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Garry Hounsell". The signature is stylized with a large, looped "G" and a long, horizontal stroke.

**Garry Hounsell**  
Chair



# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (**AGM**) of Shareholders of Electro Optic Systems Holdings Limited (**Company** or **EOS**) will be held on Tuesday, 23 May 2023 at 9.00am (AEST) at the offices of MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place Sydney NSW 2000 (**Meeting**).

The Explanatory Memorandum accompanying this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum, Voting Procedures and the Voting Form comprise part of this Notice.

## Items of business

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### Item 1: Financial statements and reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the Company for the financial year ended 31 December 2022.

All Shareholders can view the Annual Report, which contains the Financial Report for the year ended 31 December 2022, at [www.eos-aus.com/investor-centre](http://www.eos-aus.com/investor-centre).

### Item 2: Remuneration Report

To consider and, if thought fit, pass the following as an advisory resolution of the Company:

*"To adopt the Remuneration Report for the year ended 31 December 2022."*

Notes:

- (i) In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
- (ii) A voting exclusion applies to this resolution (see Explanatory Memorandum for details).

### Item 3: Re-election of Mr David Black

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

*"That Mr David Black, being a Director who is retiring in accordance with clause 60 of the Company's Constitution and Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a director of the Company."*



#### **Item 4: Election of Mr Garry Hounsell**

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

*"That Mr Garry Hounsell, being a Director who was appointed by the Board on 24 November 2022 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers himself for election, be elected as a director of the Company."*

#### **Item 5: Ratification and approval of issue of Shares under Institutional Placement**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders ratify and approve the prior allotment and issue of 12,500,000 fully paid ordinary shares in the Company on the terms and as outlined in the Explanatory Memorandum accompanying the Notice convening this meeting."*

Note: A voting exclusion applies to this resolution (see Explanatory Memorandum for details).

#### **Item 6: Ratification and approval of issue of Shares to WHSP**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders ratify and approve the prior allotment and issue of 7,653,040 fully paid ordinary shares in the Company on the terms and as outlined in the Explanatory Memorandum accompanying the Notice convening this meeting."*

Note: A voting exclusion applies to this resolution (see Explanatory Memorandum for details).

#### **Item 7: Approval of additional 10% capacity to issue equity securities under ASX Listing Rule 7.1A**

To consider, and if thought fit, pass the following as a special resolution of the Company:

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given to the Company having the additional capacity to issue equity securities under Listing Rule 7.1A on the terms and conditions as detailed in the Explanatory Memorandum."*

Note: A voting exclusion applies to this resolution (see Explanatory Memorandum for details).

#### **Item 8: Appointment of Auditor**

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

*"That Ernst & Young, having been duly nominated by a shareholder of the Company and having consented in writing to act, be appointed as auditor of the Company."*



#### **Item 9: Renewal of proportional takeover provision**

To consider, and if thought fit, pass the following as a special resolution of the Company:

*"That the proportional takeover provision in clause 25 of the Company's Constitution be renewed for a period of three years commencing from the date of the Meeting."*

#### **Item 10: Spill Resolution**

Note: this Resolution will only be considered and voted on if the outcome of Item 2 of this Notice of Meeting is such that at least 25% of the votes cast are against the adoption of the Remuneration Report. See Item 10 of the Explanatory Memorandum for further details.

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

*"That, subject to and conditional on at least 25% of the votes cast on the resolution proposed in Item 2 (Remuneration Report) being cast against the adoption of the Remuneration Report:*

- a) an extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days after the passing of this resolution;*
- b) all of the Directors of the Company in office at the time when the Board resolution to make the Directors' Report for the financial year ended 31 December 2022 was passed, and who remain Directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of shareholders at the Spill Meeting."*

Note: A voting exclusion applies to this resolution (see Explanatory Memorandum for details).



# Voting Procedures

## All resolutions will be by poll

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In accordance with clause 40.2 of the Company's Constitution (**Constitution**) the Chair intends to demand a poll on each of the resolutions proposed at the Meeting. Each resolution considered at the Meeting will therefore be conducted by a poll. The Chair considers voting by poll to be in the interests of Shareholders as a whole and is a way to ensure the views of as many Shareholders as possible are represented at the Meeting.

## Entitlement to vote

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The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at 7.00pm (AEST) on Sunday, 21 May 2023 (**Entitlement Time**).

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to vote at the Meeting.

## How to vote – before the AGM

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### Direct vote – using the Voting Form

In accordance with clause 50 of the Constitution, Shareholders are able to vote directly on resolutions considered at the Meeting **at any time between the date of this Notice of Meeting and 9.00am (AEST) on Sunday, 21 May 2023** by returning the hard copy Voting Form or by voting online (further details below).

If you lodge a direct vote you are voting directly and are not appointing a third party, such as a proxy, to act on your behalf.

The EOS Direct Voting Regulations governing direct voting are available on the Company website at **[www.eos-aus.com/corporate-governance](http://www.eos-aus.com/corporate-governance)**. By submitting a direct vote, you agree to be bound by the EOS Direct Voting Regulations.

### Appointment of Proxy

A Shareholder who is entitled to vote at this Meeting is entitled to appoint not more than two proxies to vote in place of the Shareholder.

If the Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes. If the specified proportion or number of votes exceeds that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Subject to the specific proxy provisions applying to Items 2 and 10 (see the Explanatory Memorandum):

- If a Shareholder has not directed their proxy how to vote on Items 2 and 10, the proxy may vote as the proxy determines; and
- If a Shareholder appoints the Chair of the Meeting as proxy and does not direct the Chair how to vote on an item of business, the Chair will vote in accordance with his voting intention as stated in this Notice of Meeting.



### Submitting your Voting Form

To be valid, a Voting Form must be received by the Company in the manner set out in this Notice.

The Chair's decision on the validity of a direct vote, vote cast by a proxy or vote cast in person, is conclusive and the Company reserves the right to declare invalid any Voting Form not received in this manner.

For your proxy or direct vote prior to the AGM to be effective, your completed, signed and lodged Voting Form (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) must be received by the Company's Share Registry, Computershare Investor Services Pty Limited, no later than 9.00am (AEST) on Sunday, 21 May 2023 (**Proxy Deadline**). After this time, you will still be able to lodge your vote during the AGM by attending the Meeting in person.

Voting forms may be submitted in one of the following ways:

- |                          |                                                                                                                                                                                                                                                                                                 |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Online:</b>           | Via the Company's Share Registry at <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> You will need your control number (see proxy form), Securityholder Reference Number ( <b>SRN</b> ) or Holding Identification Number ( <b>HIN</b> ) and postcode for your shareholding. |
| <b>Mobile device:</b>    | Using a mobile device by scanning the QR code on the front of the Voting Form. You will also need your postcode for your shareholding.                                                                                                                                                          |
| <b>By post:</b>          | Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia. Please allow sufficient time so that it reaches Computershare by the Proxy Deadline.                                                                                                                      |
| <b>By fax:</b>           | 1800 783 447 within Australia or +61 3 9473 2555 outside Australia.                                                                                                                                                                                                                             |
| <b>By hand delivery:</b> | Computershare Investor Services Pty Limited, Level 3, 60 Carrington Street, Sydney NSW 2000.                                                                                                                                                                                                    |

Voting Forms and Powers of Attorney must be received by the Proxy Deadline.

### Power of Attorney

A proxy appointment and the original power of attorney (if any) under which the proxy appointment is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than the Proxy Deadline.

### Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative must bring to the AGM a properly executed letter or other document confirming its authority to act as the body corporate's representative. A 'Certificate of Appointment of a Corporate Representative' form can be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## How to vote – during the AGM

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### Attending in person

Shareholders, proxyholders, body corporate representatives or attorneys attending the meeting in person will be able to vote and ask questions or make comments, at the meeting.

### Proxy Voting by the Chair

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For Item 2 (Remuneration Report) and the conditional Item 10 (Spill Resolution), where the Chair is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chair is to vote on Item 2 or Item 10, the Shareholder is expressly authorising the Chair to vote in accordance with the Chair's voting intentions for these items of business, even though Item 2 is connected directly or indirectly with the remuneration of Key Management Personnel (**KMP**).



The Chair intends to vote all undirected proxies in favour of the resolutions in Items 2 - 9 in the Notice of Meeting, and against the resolution in Item 10.

## Questions and Comments from Shareholders

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### Before the AGM

Shareholders can submit questions in advance of the AGM via the Share Registry website at <http://www.investorcentre.com/contact>.

To allow time to collate questions and prepare answers, please submit any questions by 5.00pm on Wednesday, 17 May 2023.

Questions will be collated and the Chair and/or CEO will seek to address as many of the more frequently raised topics as possible during the AGM. Please note that individual responses will not be sent to Shareholders.

### During the AGM

Shareholders, proxyholders, body corporate representatives or attorneys attending the meeting in person will be able to ask questions or make comments during the Meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'L. Ralph', with a stylized flourish at the end.

**Leanne Ralph**  
Company Secretary  
21 April 2023



# Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in relation to the business to be conducted at the Company's AGM to be held at 9.00am AEST on Tuesday, 23 May 2023.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote on the resolutions.

Subject to the abstentions noted below in respect of each resolution, the Board recommends that Shareholders vote in favour of the resolutions in Items 2 - 9, and against the resolution in Item 10. The Chair intends to vote all undirected proxies in favour of the resolutions in Items 2 - 9 in the Notice of Meeting, and against the resolution in Item 10.

The resolutions in Items 3, 4, 5, 6 and 8 are ordinary resolutions, which require a simple majority of votes cast by Shareholders entitled to vote on the resolution. The resolutions in Items 7 and 9 are special resolutions requiring greater than 75% approval. The resolution in Item 2 relating to the Remuneration Report, is advisory and does not bind the Directors or the Company. The contingent resolution in Item 10 is also an ordinary resolution.

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## Item 1: Financial statements and reports

As required by section 317 of the Corporations Act the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented at the Meeting. The Financial Report contains the financial statements of Electro Optic Systems Holdings Limited.

There is no requirement for a formal resolution on this Item.

The Chair of the Meeting will allow a reasonable opportunity at the Meeting for Shareholders to ask questions about or make comments on the management of the Company, and to ask questions about, or make comments on, the Annual Report. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, Deloitte, questions about the Auditor's Report, the conduct of its audit of the Company's Financial Report for the financial year ended 31 December 2022, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Deloitte in relation to the conduct of the audit.

Shareholders may submit written questions to the Company in relation to the above matters and the way to do this is outlined earlier in this Notice.

## Item 2: Remuneration Report

The Company has prepared a Remuneration Report for consideration and adoption by Shareholders. The Remuneration Report for the year ended 31 December 2022 sets out the remuneration policies of the Company and reports on the remuneration arrangements and outcomes for KMP, including the directors and executives of the Company. The 2022 Annual Report is available at <https://www.eos-aus.com/investor-centre>.

As provided by section 250R(3) of the Corporations Act, the resolution on this item of business is advisory only and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments from Shareholders when considering the Company's remuneration policies. During discussion of the items of business, there will be an opportunity for Shareholders to ask questions about, or comment on, the 2022 Remuneration Report.

At last year's AGM, 28.97% of the votes cast on the resolution to adopt the 2021 Remuneration Report was against the resolution (known as a "first strike"). Since the first strike on the 2021 Remuneration Report, EOS has consulted with proxy advisors, Shareholders, and other stakeholders to understand their concerns.

In response to this feedback, we have made changes to the executive remuneration structure for 2023. These changes seek to balance shareholder expectations against Australian and International market practice where we compete for talent in



the highly competitive market. The 2022 Remuneration Report sets out the Board's response to the comments made on the 2021 Remuneration Report.

Shareholders should note that while the vote on this Item of Business is advisory only, if more than 25% of votes cast on this Item of Business are against adopting the Remuneration Report, the Contingent Spill Resolution in Item 10 will be put to the meeting. The operation and consequences of the spill resolution are set out under Item 10 below.

EOS is committed to remuneration practices that consider stakeholder expectations and align with good practice in Australia and Internationally. The board has taken the feedback on the 2021 Remuneration Report seriously and believes it has addressed the concerns that led to last year's strike.

#### **Voting exclusion**

The Company will disregard any votes cast on Item 2 by, or on behalf of:

- (a) any member or a former member of the KMP whose remuneration details are disclosed in the Company's 2022 Remuneration Report, or
- (b) a Closely Related Party of such a KMP,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the Voting Form.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Item 2 because the Company's proxy appointment expressly authorised the Chair of the Meeting to exercise undirected proxies even though the Item is connected with the remuneration of a member of the Company's KMP.

**What this means for Shareholders:** If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chair of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

#### **Board recommendation**

The Board recommends that Shareholders vote FOR the resolution in Item 2.

### **Item 3: Re-election of Mr David Black**

In accordance with the Company's Constitution and the Listing Rules, an election of Directors must be held at each annual general meeting.

Clause 60.1 of the Constitution states that one-third of all Directors (excluding the Managing Director and Directors appointed during the year by the Board) must retire at every annual general meeting and are eligible to stand for re-election. The Directors to retire pursuant to clause 60.1 of the Constitution are the Directors (other than the Managing Director) who have held office the longest since being appointed or last being elected. In the case where Directors were elected on the same day, the Directors to retire are determined by agreement between the Directors, or a ballot. Further, ASX Listing Rule 14.4 states that a director must not hold office without re-election past the third annual general meeting following the director's appointment or three years, whichever is longer.

Mr David Black has elected to retire and offer himself for re-election at this Meeting.

Mr Black was appointed to the board in January 2021 and was last elected by Shareholders in May 2021. He currently serves as chair of the Audit and Risk Committee and is a member of the Nomination and Remuneration Committee.

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



Since his retirement from Deloitte, David has established a growing family business, The Coastal Brewing Company, and serves on three Government sector audit committees as the independent member, Chairing one of those committees.

Prior to submitting himself for re-election, Mr Black confirmed that he would continue to have sufficient time to properly fulfil his Director duties for the Company.

Having had regard to the ASX Corporate Governance Principles and Recommendations (4th edition) (**ASX Principles**), the Board considers Mr Black to be an independent director.

#### **Board recommendation**

The Board (with Mr Black abstaining) supports the election of Mr David Black and recommends that Shareholders vote FOR Mr Black's re-election as a Director of the Company for the reasons of his extensive financial and accounting experience, as outlined above.

### **Item 4: Election of Mr Garry Hounsell**

The Board appointed Mr Garry Hounsell as an independent non-executive Director and Chair on 24 November 2022.

Clause 59.2 of the Constitution and ASX Listing Rule 14.4 states that a Director appointed to fill a casual vacancy holds office until the conclusion of the next annual general meeting but is eligible for election at that annual general meeting. In accordance with this requirement, Mr Hounsell now retires from the Board and offers himself for election.

Mr Hounsell is an accomplished Non-executive Director.

Mr Hounsell is currently Chair of the Commonwealth Superannuation Corporation, Chair of Helloworld Travel Limited (since 2016) and Chair of HiroBrands Limited (since December 2021). He is also a Non-Executive Director at Treasury Wine Estates Limited (since 2012), a Director of Findex (since January 2020), and a member of Commencer Capital's (formally Investec Emerging Companies) Investment Committee (since 2019).

He was previously the Chair of Myer Holdings Limited (2017-2020; Executive Chair Feb-Jun 2018), Chair and a Non-Executive Director of Spotless Group Holdings Limited (2014-2017), and Chair of Emitch Limited (2006-2008) and PanAust Limited (2008-2015). He was also previously an Advisory Board Member of PanAust Limited (2015-2017), Rothschild Australia Limited (2012-2017), and Investec Global Aircraft Fund (2007-2019). He was a Director at Orica Limited (2004-2013), Nufarm Limited (2004-2012), Qantas Airways Limited (2005-2015), Mitchell Communication Group Limited (2008-2010), Integral Diagnostics Limited (2015-2017), Dulux Group Limited (2010-2017) and Investec Aircraft Syndicate Limited (2012-2018). Garry was a Senior Partner at Ernst & Young (2002-2004), CEO and Managing Partner of Arthur Andersen (2001-2002) and a Partner at Arthur Andersen (1989-2002).

Mr Hounsell has a Bachelor of Business (Accounting) from the Swinburne Institute of Technology (1975) and is a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.

The Company confirms that appropriate checks into Mr Hounsell's background and experience were carried out prior to his appointment with no information of concern raised during the recruitment process. In addition, he has no known interest, position or relationship that will influence or reasonably be perceived to influence his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

Having had regard to the ASX Principles, the Board considers Mr Hounsell to be an independent director.

#### **Board recommendation**

The Board (with Mr Hounsell abstaining) supports the re-election Mr Garry Hounsell and recommends that Shareholders vote FOR Mr Hounsell's re-election as a Director of the Company for his extensive ASX-listed entity, governance and finance skills, as outlined above.



## Item 5: Ratification and approval of issue of shares under Institutional Placement

### Background

As outlined in the announcement released to the market on 29 June 2022, the Company received commitments to raise \$15 million via an institutional placement and issued 12,500,000 new fully paid ordinary shares (**Placement New Shares**) in the Company at an issue price of A\$1.20 per New Share (**Institutional Placement**). The Placement New Shares were issued on 05 July 2022.

### Reasons for resolution

Listing Rule 7.1 restricts the number of Equity Securities which a listed entity may issue in any 12 month period, without the approval of Shareholders, to 15% of the number of securities on issue at the start of the period, subject to certain adjustments and permitted exceptions. Listing Rule 7.4 provides that an issue of securities is deemed to have been made with Shareholder approval if Listing Rule 7.1 is not breached at the time the securities were issued and Shareholders subsequently approve the issue.

The Placement New Shares represent approximately 8.3% of the Company's 15% capacity under Listing Rule 7.1. Therefore, if Shareholders ratify the issue of the Shares pursuant to Item 5, the Company will have the flexibility to issue further Equity Securities up to approximately 8.3% of the 15% limit over the next 12 month period because the Shares will not be counted for the purposes of the 15% limit set out in Listing Rule 7.1.

The Resolution in Item 5 seeks shareholder ratification and approval under ASX Listing Rule 7.4 for the issue by the Company of 12,500,000 New Shares under the Institutional Placement. If the Resolution in Item 5 is approved, the Company's 15% placement capacity under ASX Listing Rule 7.1 will be refreshed from the date of the Meeting.

The following information is provided to Shareholders to allow them to assess Item 5, including for the purposes of Listing Rule 7.5:

- (a) The number of securities allotted and issued: 12,500,000.
- (b) Issue price: \$1.20 per share.
- (c) Terms of the Shares: The Placement New Shares allotted and issued rank equally with the existing shares on issue.
- (d) Allottees: The Placement New Shares were allotted and issued to new and existing institutional investors. Petra Capital Pty Limited acted as sole lead manager and sole bookrunner to the Institutional Placement.
- (e) Intended use of funds raised: The funds raised from the Institutional Placement were used by the Company for working capital and near-term capital requirements, prioritising capital into the core Defence business, as stated in the announcement released to the ASX on 29 June 2022.

### If Shareholder approval is not obtained

If Shareholders do not approve the resolution under Item 5 the Placement New Shares will remain as issued under the Company's 15% placement capacity, that is 8.3% of the Company's 15% placement capacity will be utilised by the Placement New Shares. This effectively decreases the number of equity securities the Company can issue without shareholder approval over the 12 month period following the issue date of the Placement New Shares.

### Voting Exclusion

The Company will disregard any votes cast on the resolution in Item 5 by a person who participated in the issue of the Placement New Shares under the Institutional Placement and any associate of those persons.

However, this does not apply to a vote cast in favour of this resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Item 5, in accordance with the directions given to the proxy or attorney to vote on these resolutions in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Item 5, in accordance with a direction given to the Chair to vote on these resolutions as the Chair decides; or
- (c) 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 Item 5; and
- the holder votes on Item 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Board recommendation**

The Board recommends that Shareholders vote FOR the resolution in Item 5.

## **Item 6: Ratification and approval of issue of shares to WHSP**

### **Background**

As outlined in the announcement released to the market on 13 October 2022, the Company entered into new financing arrangements with Washington H. Soul Pattinson and Company Limited (**WHSP**). As consideration for entry into this arrangement, WHSP was issued with 7,653,040 new fully paid ordinary shares (**WHSP New Shares**) in the Company at a nil issue price (**WHSP Placement**). The WHSP New Shares were issued on 13 October 2022.

### **Reasons for resolution**

Listing Rule 7.1 restricts the number of Equity Securities which a listed entity may issue in any 12 month period, without the approval of Shareholders, to 15% of the number of securities on issue at the start of the period, subject to certain adjustments and permitted exceptions. Listing Rule 7.4 provides that an issue of securities is deemed to have been made with Shareholder approval if Listing Rule 7.1 is not breached at the time the securities were issued and Shareholders subsequently approve the issue.

The WHSP New Shares represent approximately 5.1% of the Company's 15% capacity under Listing Rule 7.1. Therefore, if Shareholders ratify the issue of the Shares pursuant to Item 6, the Company will have the flexibility to issue further Equity Securities up to approximately 5.1% of the 15% limit over the next 12 month period because the Shares will not be counted for the purposes of the 15% limit set out in Listing Rule 7.1.

The Resolution in Item 6 seeks shareholder ratification and approval under ASX Listing Rule 7.4 for the issue by the Company of 7,653,040 WHSP New Shares under the WHSP Placement. If the Resolution in Item 6 is approved, the Company's 15% placement capacity under ASX Listing Rule 7.1 will be refreshed from the date of the Meeting.

The following information is provided to Shareholders to allow them to assess Item 6, including for the purposes of Listing Rule 7.5:

- (a) The number of securities allotted and issued: 7,653,040.
- (b) Issue price: \$nil.
- (c) Terms of the Shares: The WHSP New Shares allotted and issued rank equally with the existing shares on issue.
- (d) Allottees: The WHSP New Shares were allotted and issued to WHSP.
- (e) Intended use of funds raised: There were no funds raised from the issue of the WHSP New Shares.

### **If Shareholder approval is not obtained**

If Shareholders do not approve the resolution under Item 6 the WHSP New Shares will remain as issued under the Company's 15% placement capacity, that is 5.1% of the Company's 15% placement capacity will be utilised by the WHSP New Shares. This effectively decreases the number of equity securities the Company can issue without shareholder approval over the 12 month period following the issue date of the WHSP New Shares.





### **Voting Exclusion**

The Company will disregard any votes cast on the resolution in Item 6 by WHSP and any associate of WHSP.

However, this does not apply to a vote cast in favour of this resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Item 6, in accordance with the directions given to the proxy or attorney to vote on these resolutions in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Item 6, in accordance with a direction given to the Chair to vote on these resolutions as the Chair decides; or
- (c) 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 Item 6; and
  - the holder votes on Item 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Board recommendation**

The Board recommends that Shareholders vote FOR the resolution in Item 6.

## **Item 7 – Approval of additional 10% capacity to issue equity securities under ASX Listing Rule 7.1A**

### **Background**

Listing Rule 7.1A permits eligible entities to seek shareholder approval by special resolution at an annual general meeting to issue an additional 10% of its issued capital by way of placements over a 12-month period (**10% Placement Capacity**). The additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice of Meeting, the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A and it is only being put forward to provide the Board with flexibility should it be required.

If Shareholders approve the resolution in Item 7, the effect will be to allow the Directors to issue equity securities under Listing Rule 7.1A during the period of 12 months following the Meeting without using the Company's 15% placement capacity under Listing Rule 7.1.

Item 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **Eligibility**

An eligible entity under Listing Rule 7.1A is one which (at the date of the relevant annual general meeting) has a market capitalisation of \$300 million or less and is not included in the S&P / ASX 300 Index. The Company is an eligible entity for the purposes of Listing Rule 7.1A.

The Company hereby seeks Shareholder approval by way of special resolution to have the ability to issue equity securities under the 10% Placement Capacity.

The exact number of equity securities that may be issued pursuant to the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 which provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of equity securities calculated as follows:

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

Where:

**A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities (including convertible notes and options) within Listing Rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the 12-month period; or
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the 12 months under an agreement within Listing Rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the 12-month period; or
  - the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of shareholders under Listing Rules 7.1 or 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval. This may include fully paid ordinary securities issued in the 12-month period under an agreement to issue securities within Listing Rule 7.2 exception 17 where the issue is subsequently approved under Listing Rule 7.1;
- less the number of fully paid ordinary securities cancelled in the 12 months;

Note that **A** has the same meaning in the Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is 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 has not subsequently been approved by the holders of ordinary securities under Listing Rules 7.4.

Any equity securities issued under the 10% Placement Capacity must be in an existing quoted class of the Company's equity securities. The Company presently has one class of quoted securities, being Shares (ASX Code: EOS).

If the Company issues any equity securities under the 10% Placement Capacity, the entity must, pursuant to Listing Rule 7.1A.4:

- (a) give to the ASX immediately after the issue a list of the names of persons to whom the Company allotted equity securities and the number of equity securities caused to be allotted to each (but this list is not required to be released to the market); and
- (b) state in an announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the securities under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A.

#### Required information

The following information is provided to Shareholders to allow them to assess the resolution in Item 7, including for the purposes of Listing Rule 7.3A.



### Minimum price

Any equity securities issued by the Company under Listing Rule 7.1A can only be issued for cash consideration per share and at a price that is no less than 75% of the volume weighted average market price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed by the Company and the recipient of the securities; or
- (b) the date on which the securities are issued if the securities are not issued within ten trading days of the date on which the issue price is agreed.

Using the three dilution Share prices in the table below for consistency, the minimum hypothetical issue price (at 75%) would be:

\$0.30: \$0.225

\$0.60: \$0.450

\$1.20: \$0.900

### Dilution to existing Shareholders

If the resolution in Item 7 is approved by Shareholders and the Company issues securities under the 10% Placement Capacity, the additional economic and voting interests in the Company will be diluted. There is a risk that the market price of the Company's securities may be significantly lower on the issue date than on the date of the Meeting and the securities may be issued at a price that is at a discount to the market price on the issue date.

The table below shows a number of hypothetical scenarios for a 10% placement as required by Listing Rule 7.3A.4 where the number of the Company's shares on issue (variable "A" in the formula in Listing Rule 7.1A.2) has remained current or increased by either 50% or 100% and the share price has decreased by 50%, remained current or increased by 100% based on the closing share price on ASX at 17 April 2023.

Number of shares on issue at 17 April 2023 Variable "A"	Additional 10% Dilution - Shares issued & funds raised	Dilution		
		\$0.30 Issue price at half current market price	\$0.60 Issue price at current market price	\$1.20 Issue price at double current market price
<b>171,236,006</b> Current Variable A  (see below assumptions)	Shares issued	17,123,600	17,123,600	17,123,600
	Funds raised	\$5,137,080	\$10,274,160	\$20,548,320
<b>256,854,009</b> 50% increase in current Variable A	Shares issued	25,685,400	25,685,400	25,685,400
	Funds raised	\$7,705,620	\$15,411,240	\$30,822,481
<b>342,472,012</b> 100% increase in current Variable A	Shares issued	34,247,201	34,247,201	34,247,201
	Funds raised	\$10,274,160	\$20,548,320	\$41,096,641

The dilution table uses the following assumptions which the Company does not represent will necessarily occur:

- (a) the "issue price at current market price" is the closing price of the shares on ASX on 17 April 2023;
- (b) Variable A is 171,236,006 which equates to the number of current shares on issue at 17 April 2023;



- (c) the Company issues the maximum number of securities available under the additional 10% placement;
- (d) the table shows only the effect of issues of securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- (e) no options are exercised into shares, or performance rights vest, before the date of issue of equity securities;
- (f) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (g) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of the placements under Listing Rule 7.1A, based on that Shareholder's holding at the date of the AGM; and
- (h) funds raised are before any capital raising costs which may be incurred.

#### **10% placement period**

Shareholder approval under Listing Rule 7.1A is valid from the date of this annual general meeting until the earlier of:

- (a) 12 months after this annual general meeting;
- (b) the time and date of the Company's next annual general meeting; or
- (c) the time and date of approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

#### **Purpose of 10% additional placement**

The Company may seek to issue securities under the 10% Placement Capacity for the purpose of raising funds for working capital, investing activities (including possible complementary business acquisitions if any are identified and approved by the board), meeting financing commitments or capital management activities deemed by the Board to be in the best interests of the Company.

#### **Allocation policy**

The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of allottees of equity securities will be determined on a case by case basis having regard to factors including but not limited to the following:

- (a) the methods of raising funds that are then available to the Company;
- (b) the effect of the issue of the equity securities on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from professional and corporate advisers (if applicable).

Allottees have not been determined as at the date of this Notice of Meeting and may include existing and/or new Shareholders but cannot include any related parties or associates of a related party of the Company.

#### **Information provided for compliance with Listing Rule 7.3A.6**

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

#### **If Shareholder approval is not obtained**

If Shareholders do not approve the resolution under Item 7 the Company will not be able to utilise the additional 10% placement capacity under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

#### **Voting exclusion**

At the date of this Notice of Meeting, the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2. However, if at the time the approval is sought the Company does propose to make an issue of equity securities under Listing Rule 7.1A.2, the Company will disregard any votes cast in favour of Item 7 by or on behalf of a person who is



expected to participate in, or who will obtain a material benefit as a result of the proposed issue of securities, except a benefit solely by reason of being a holder of ordinary securities, and any associates of the aforementioned persons.

However, this does not apply to a vote cast in favour of this resolution by:

- (d) a person as proxy or attorney for a person who is entitled to vote on Item 7, in accordance with the directions given to the proxy or attorney to vote on these resolutions in that way; or
- (e) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Item 7, in accordance with a direction given to the Chair to vote on these resolutions as the Chair decides; or
- (f) 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 Item 7; and
  - the holder votes on Item 7 in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Board recommendation**

The Board recommends that Shareholders vote FOR the resolution in Item 7.

### **Item 8: Appointment of Auditor**

The Board conducted a tender of its external audit, inviting proposals from leading audit service providers including the incumbent. It was determined from this process that Ernst & Young should be appointed to this role.

The Company is seeking shareholder approval of the appointment of Ernst & Young as the Company's auditor. Ernst & Young has been duly nominated for appointment as the Company's auditor by a shareholder of the Company, as required by section 328B of the Corporations Act. A copy of the shareholder's written notice of nomination is set out in Appendix A.

#### **Board recommendation**

The Board recommends that Shareholders vote FOR the resolution in Item 8.

### **Item 9: Renewal of proportional takeover provision**

Clause 25 of the Company's Constitution contains proportional takeover approval provisions that prohibit EOS from registering a transfer of Shares under a proportional takeover bid unless the bid is approved by resolution passed by Shareholders in a general meeting.

Under the Corporations Act, the proportional takeover approval provisions in a company's constitution must be renewed every three years or they will cease to have effect.

As the proportional takeover provisions in the Constitution have lapsed, the Company is seeking Shareholder approval, by special resolution, to refresh such provisions in accordance with the Corporations Act.

If Item 9 is approved by Shareholders, the proportional takeover provisions will be renewed and have effect on the terms set out in the amended Constitution until 23 May 2026.

Item 9 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).



### **Statement under the Corporations Act**

The Corporations Act requires that the following information be provided to Shareholders when they are considering the renewal or refresh of proportional takeover provisions in a constitution.

#### **What is a proportional takeover bid?**

A proportional takeover bid is a takeover bid where an offer is made to each shareholder of a company to acquire a specified proportion only of that shareholder's shares (that is, less than 100%). The specified proportion must be the same in the case of all shareholders.

The Corporations Act allows a company to provide in its constitution that if a proportional takeover bid is made, shareholders must vote on whether to accept or reject the proportional takeover bid and that decision will be binding on all shareholders. This provision allows shareholders to decide collectively whether a proportional takeover bid is acceptable in principle.

#### **The effect of the proportional takeover provisions**

The effect of the proportional takeover provisions in clause 25 of the Constitution is that if a proportional takeover bid is made for the Company, EOS must refuse to register a transfer of Shares giving effect to any acceptance of any such bid unless the takeover bid is approved by Shareholders in general meeting.

In the event that a proportional takeover bid is made, the Directors must convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover bid. For the resolution to be approved, it must be passed by a simple majority of votes at the meeting, excluding votes of the bidder and its associates.

If no such resolution is voted on at least 14 days before the last day of the takeover bid period or such later date as approved by ASIC, the resolution will be deemed to have been approved. This effectively means that Shareholders may only prohibit a proportional takeover bid by passing a resolution rejecting the proportional takeover bid.

If the resolution is approved or deemed to have been approved, a transfer of Shares under the proportional takeover bid may be registered provided it complies with the other provisions of the Corporations Act and the Constitution.

If the resolution is rejected, the registration of any transfer of Shares resulting from the proportional takeover bid is prohibited and the proportional takeover bid is deemed by the Corporations Act to have been withdrawn.

The Directors will breach the Corporations Act if they fail to ensure the resolution is voted on.

The proportional takeover provisions do not apply to full takeover bids and, if refreshed, will only apply until 11 November 2024, unless again renewed by Shareholders by passing a special resolution.

#### **Reasons for proposing the resolution**

Without the proportional takeover approval provisions, a proportional takeover bid may result in control of the Company passing without Shareholders having the opportunity to dispose of all of their Shares to the bidder. This could result in control of EOS passing to the bidder without the payment of an adequate control premium and with Shareholders left as a minority interest in the Company.

The proportional takeover provisions lessen this risk because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed. The Directors consider that it is appropriate for Shareholders to have this right.

#### **No knowledge of any acquisition proposals**

At the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

#### **Review of proportional takeover provisions**

The Corporations Act requires Shareholders to be given a statement that examines the advantages and disadvantages, for Directors and Shareholders, of the proportional takeover provisions proposed to be renewed or refreshed. A statement of advantages and disadvantages is set out below.



### Potential advantages and disadvantages

The refresh of the proportional takeover provisions will allow Directors to formally ascertain Shareholders' views on a proportional takeover bid. Otherwise, the Directors consider that the proposed refresh of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved or rejected.

The potential advantages of the refresh of the proportional takeover provisions for Shareholders are:

- a. they give Shareholders a say in determining whether a proportional takeover bid should proceed;
- b. they may discourage the making of a proportional takeover bid which may be considered to be opportunistic and may prevent control of the Company passing without the payment of an appropriate control premium;
- c. they may assist Shareholders in not being locked in as a minority interest;
- d. they increase Shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is adequately priced; and
- e. knowing the view of the majority of Shareholders may assist each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that bid.

However, the Directors note that refreshing the proportional takeover provisions may have the following disadvantages for Shareholders:

- a. discourage the making of proportional takeover bids in respect of the Company and may reduce any speculative element in the market price of Shares arising from the possibility of a takeover bid being made;
- b. depress the Share price or deny Shareholders an opportunity of selling some of their Shares at a premium;
- c. reduce the likelihood of a proportional takeover bid being successful; and
- d. be considered to constitute an unwarranted restriction on the ability of Shareholders to deal freely with their Shares.

However, the Directors do not perceive these or any other possible disadvantages as a justification for not refreshing the proportional takeover provisions so that they apply for the next 3 years, and consider that the potential advantages of the proportional takeover provisions for Shareholders outweigh these possible disadvantages.

### Board recommendation

The Board recommends that Shareholders vote FOR the resolution in Item 9.

## Item 10: Spill Resolution (conditional item)

The Corporations Act includes a "two strikes" rule in relation to remuneration reports. The two strikes rule provides that, if at least 25% of the votes cast on the resolution to adopt the remuneration report at two consecutive annual general meetings are against adopting the remuneration report, Shareholders will have the opportunity to vote on a Spill Resolution (described below) at the second annual general meeting.

At the 2022 AGM, 28.97% of the votes cast on the resolution to adopt the Remuneration Report were against adopting the report (the "first strike").

Accordingly, Item 10 (**Spill Resolution**) is required to be included in this Notice of Meeting by Division 9 of Part 2G.2 of the Corporations Act because the adoption of the Remuneration Report contained in the Company's 2021 Annual Report was passed by a majority of less than 75% at the 2022 AGM.

*Item 10 is a "conditional" resolution. It will only be put to the Meeting if 25% or more of the votes cast on Item 2 are cast against the adoption of the Remuneration Report, which will constitute a "second strike".*



If Item 2 passes on a majority of more than 75%, the Spill Resolution will be deemed withdrawn and any votes cast on the Spill Resolution prior to the withdrawal of the Spill Resolution will be treated as invalid.

#### **Majority required for Spill Resolution**

If the Spill Resolution is put to the meeting the Spill Resolution will be carried if it is passed by an ordinary majority of votes cast (more than 50%). If the Spill Resolution is valid and carried, a spill meeting must be held within 90 days of the passing of the Spill Resolution (**Spill Meeting**). If a Spill Meeting is required, the date of the meeting will be notified to Shareholders in due course.

#### **The Spill Meeting**

If a Spill Meeting is held, pursuant to section 250V(1)(b)(i) of the Corporations Act, the Directors listed below, being the non-executive Directors who were in office when the Board approved the last Directors' Report, will cease to hold office immediately before the end of the Spill Meeting (unless they resign before the Spill Meeting):

- (i) Mr Garry Hounsell\*;
- (ii) Mr Davis Black\*;
- (iii) Mr Geoff Brown; and
- (iv) Ms Kate Lundy.

\*This assumes these directors are re-elected / elected at this Meeting pursuant to Items 4 and 3 respectively.

Each of these Directors is eligible to stand for re-election at the Spill Meeting.

The Spill Meeting, if required, will be subject to a separate notice in accordance with the Constitution of the Company and the Corporations Act. Nominations for director appointments at the Spill Meeting may be made in accordance with the Constitution of the Company and may include the Directors listed above.

A voting exclusion applies to Item 10 (see below). This voting exclusion will not apply to the Spill Meeting and all Shareholders will be entitled to vote on the director appointments at the Spill Meeting.

#### **Voting Exclusion**

The Company will disregard any votes cast on Item 10 by a KMP of the Company or a Closely Related Party of such a KMP unless:

- (a) the person votes as a proxy appointed by writing that specifies how the person is to vote on Item 10; or
- (b) the person is the Chair and votes as a proxy appointed by writing that authorises the Chair to vote on Item 10 even though the resolution is connected directly or indirectly with the remuneration of the KMP of the Company.

#### **Board recommendation**

The Board recommends that Shareholders vote AGAINST the resolution in Item 10.

#### **Chair's voting intention**

The Chair of the Meeting intends to vote all available undirected proxies **FOR the resolutions in Items 2, 3, 4, 5, 6, 7, 8 and 9, and AGAINST the resolution in Item 10.**





## Glossary of key terms

<b>10% Placement Capacity</b>	as described in Item 5 of the Notice
<b>2022 AGM</b>	the AGM held on 27 May 2022
<b>2023 AGM</b>	the meeting convened by the Notice
<b>A\$ or \$</b>	Australian dollars
<b>AEST</b>	Australian Eastern Standard Time as observed in Sydney, Australia
<b>AGM or Meeting</b>	the meeting convened by the Notice
<b>ASX</b>	ASX Limited ACN 008 624 691
<b>ASX Principles</b>	ASX Corporate Governance Principles and Recommendations (4 <sup>th</sup> edition)
<b>Board</b>	the board of directors of the Company
<b>Closely Related Party</b>	as defined in section 9 of the Corporations Act
<b>Company or EOS</b>	Electro Optic Systems Limited ACN 092 708 364 (ASX code: EOS)
<b>Constitution</b>	the Company's constitution
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Directors</b>	the current directors of the Company
<b>Eligible Entity</b>	an entity that at the date of the Meeting: <ul style="list-style-type: none"> <li>(a) is not included in the S&amp;P/ASX 300 Index; and</li> <li>(b) has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of A\$300,000,000</li> </ul>
<b>Entitlement Time</b>	7.00pm (AEST) on Sunday, 21 May 2023
<b>Equity Securities</b>	includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security
<b>Explanatory Memorandum</b>	the Explanatory Memorandum accompanying and forming part of the Notice
<b>FY21</b>	the financial year ended 31 December 2021
<b>FY22</b>	the financial year ended 31 December 2022
<b>Group</b>	the Company and subsidiaries of the Company.
<b>Items</b>	the resolutions set out in the Notice, or any one of them, as the context requires
<b>Key Management Personnel (or KMP)</b>	as defined in section 9 of the Corporations Act
<b>Listing Rules</b>	the Listing Rules of the ASX
<b>Notice or Notice of Meeting or</b>	this notice of annual general meaning and the Explanatory Memorandum
<b>Notice of Annual General Meaning</b>	accompanying the Notice and the Voting Form
<b>Proxy Deadline</b>	9.00am (AEST) on Sunday, 21 May 2023
<b>Related Body Corporate</b>	as defined in section 50 of the Corporations Act



<b>Remuneration Report</b>	the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 31 December 2022
<b>Share</b>	a fully paid ordinary share in the capital of the Company
<b>Share Registry</b>	Computer Investor Services Limited
<b>Shareholder</b>	a holder of a Share
<b>Voting Form</b>	the voting form accompanying the Notice



## Appendix A

### Nomination for appointment of Ernst & Young as auditor of the Company

31 March 2023

Electro Optic Systems Holdings Limited  
14 Wormald Street  
Symonston ACT 2609

#### Notice of Nomination of Auditor

In accordance with section 328B(1) of the *Corporations Act 2001* (Cth), I David Black, being a shareholder of Electro Optic Systems Holdings Limited (**Company**), hereby nominate Ernst & Young for appointment as auditor of the Company.

Yours sincerely,

A handwritten signature in black ink that reads 'D. Black'.

David Black



**Electro Optic Systems Holdings Limited**  
ABN 95 092 708 364

## Need assistance?



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



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SAMPLEVILLE VIC 3030

# Electro Optic Systems Holdings Limited Annual General Meeting

The Electro Optic Systems Holdings Limited Annual General Meeting will be held on Tuesday, 23 May 2023 at 9:00am (AEST). You are encouraged to participate in the meeting using the following options:



## MAKE YOUR VOTE COUNT

To lodge a direct vote or appoint a proxy, access the Notice of Meeting and other meeting documentation or ask a question, visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your direct vote or proxy appointment to be effective it must be received by 9:00am (AEST) on Sunday, 21 May 2023.



## ATTENDING THE MEETING IN PERSON

The meeting will be held at:  
MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW 2000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



**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](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received by **9:00am (AEST) on Sunday, 21 May 2023**.

# Voting Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### VOTE DIRECTLY

**Voting 100% of your holding:** Mark either the For, Against or Abstain box opposite each item of business. Your vote will be invalid on an item if you do not mark any box OR you mark more than one box for that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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](http://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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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## Voting Form

Please mark ☒ to indicate your directions

### Step 1

### Indicate How Your Vote Will Be Cast *Select one option only*

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At the Annual General Meeting of Electro Optic Systems Holdings Limited to be held at MinterEllison, Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000 on Tuesday, 23 May 2023 at 9:00 am and at any adjournment or postponement of that meeting, I/We being member/s of Electro Optic Systems Holdings Limited direct the following:

A Vote Directly ☐ Record my/our votes strictly in accordance with directions in Step 2. **PLEASE NOTE:** A Direct Vote will take priority over the appointment of a Proxy. For a valid Direct Vote to be recorded you must mark FOR, AGAINST, or ABSTAIN on each item.

OR

B Appoint a proxy to vote on your behalf ☐ I/We hereby appoint: **The Chairman of the Meeting** OR  **PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).  
or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit).

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2 and 10 (except where I/we have indicated a different voting intention in step 2) even though Items 2 and 10 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2 and 10 by marking the appropriate box in step 2.

### Step 2

### Items of Business

**PLEASE NOTE:** If you have appointed a proxy and 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. If you are directly voting and you mark the **Abstain** box for an item, it will be treated as though no vote has been cast on that item and no vote will be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Item 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 8	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Re-election of Mr David Black	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 9	Renewal of proportional takeover provision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Election of Mr Garry Hounsell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 10	Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Ratification and approval of issue of Shares under Institutional Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Item 6	Ratification and approval of issue of Shares to WHSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Item 7	Approval of additional 10% capacity to issue equity securities under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of item 10 where the chairman of the meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3

### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

EOS

2 9 8 6 8 4 A



Computershare





**Electro Optic Systems Holdings Limited**

ABN 95 092 708 364

EOSRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

Dear Securityholder,

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

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

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

You are requested to include the following;

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

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

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

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

Yours sincerely

**Electro Optic Systems Holdings Limited**