



NOTICE OF ANNUAL GENERAL MEETING

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NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the shareholders of ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED will be held at the following time and place:

Time: 9.30 am

Date: Friday 12 May 2017

Place: Barnet Room, The Westin Hotel, No 1 Martin Place,
Sydney, NSW, 2000 Australia

ORDINARY BUSINESS:

1. Consideration of Financial Statements

"To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 31 December 2016."

2. Appointment of Mr Fred Bart as a Director

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

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

3. Appointment of Mr Peter Leahy as a Director

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

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

4. Increase in Non-Executive fees

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

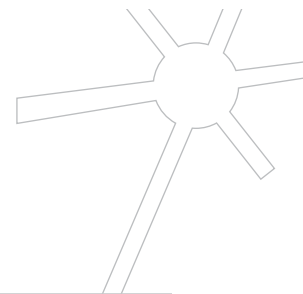
"That in accordance with Article 112 of the Company's Constitution, ASX Listing Rule 10.17 and Section 208(1) of the Corporations Act, the maximum amount of fees aggregate payable to non-executive Directors be increased by \$150,000 from \$350,000 to \$500,000 for each twelve month period commencing 1 January 2017 and thereafter in each and every calendar year until varied by members in general meeting."

Voting exclusion statement

The Company will disregard any votes cast by:

- Fred Bart, Ian Dennis, Ben Greene, Mark Ureda, Peter Leahy, Kevin Scully or Geoff Brown; and
- An associate of that person (or the persons).

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However, the Company 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 a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

5. Remuneration Report

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

"That the Remuneration Report section of the Directors' Report for the Company for the year ended 31 December 2016 be adopted."

6. Ratification of Share Placement and Refreshing of 15% limit

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

"That for the purposes of ASX Listing Rule 7.4 and all other purposes this meeting approves and ratifies the allotment and issue by the Company of 3,863,638 fully paid ordinary shares in the Company to sophisticated and professional investor clients of Petra Capital Pty Ltd."

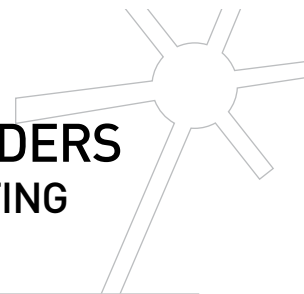
DATED: 6 April 2017

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'I A Dennis', written in a cursive style.

I A Dennis
Company Secretary

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



This Memorandum has been prepared for the information of shareholders of Electro Optic Systems Holdings Limited (referred to in this Memorandum as the "Company") in connection with the business to be conducted at the Annual General Meeting of the members of the Company to be held on Friday 12 May 2017.

1. Item 1 - Financial Report

The Corporations Act 2001 (Cth) (Corporations Act) requires the financial report (which includes the financial statements and directors' declaration), the directors' report and the auditor's report for the last financial year to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for shareholders to approve the financial report, the directors' report or the auditor's report. Shareholders will have reasonable opportunity at the meeting to ask questions and make comments on these reports and on the business and operations of the Company.

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

Appointed to the Board on 8 May 2000.

Non-executive Chairman (Age 62). He has been Chairman and Director of numerous public and private companies since 1980, specialising in manufacturing, property, technology and marketable securities. Mr Bart is Chairman of Immunovative Therapies Limited, an Israeli company involved in the manufacture of cancer vaccines for the treatment of most forms of cancer. He is a member of the Remuneration Committee.

3. Item 3 - Re-election of Mr Peter Leahy as a Director

Appointed to the Board on 4 May 2009.

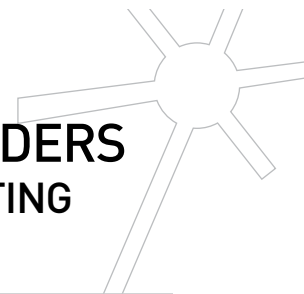
Non-executive director (Age 64). Peter Leahy AC retired from the Australian Army in July 2008 as a Lieutenant General in the position of Chief of Army. Among his qualification he holds a BA (Military Studies), a Master of Military Arts and Science and is a member of the Australian Institute of Company Directors. He is a Professor and the foundation Director of the National Security Institute at the University of Canberra. He is a director of Codan Limited, Citadel Group Limited, a member of the Defence South Australia Advisory Board,

Chairman of the Red Shield Appeal in the ACT and the charity Soldier On and a Trustee of the Prince's Charities Australia. He is Chairman of the Audit Committee and Remuneration Committee.

4. Item 4 - Increase in Non-Executive fees

- 4.1. Article 112 of the Company's Constitution provides that "The Directors shall be paid out of the funds of the Company as remuneration for their ordinary services as Directors such sum as may from time to time be determined by the Company in General Meeting. Such remuneration shall be by a fixed sum and shall not be way of a commission on or a percentage of the turnover of the Company or (except in the case of a Managing Director or other Executive Director) its profits. The sum so fixed shall be divided amongst the Directors in such proportion and manner as they shall from time to time agree or in default of agreement equally."
- 4.2. ASX Listing Rule 10.17 provides that the Company "must not increase the total amount of directors' fees payable by it or any of its child entities without the approval of holders of its ordinary securities."
- 4.3. On 31 May 2012 the maximum amount of directors' fees approved by shareholders was \$350,000 per annum.
- 4.4. The current level of directors' fees paid to the 6 non-executive directors and the Chairman amounts to \$271,734 per annum which does not exceed the maximum approved by shareholders (\$41,063 per resident non-executive director, \$40,875 for non-resident non-executive directors and \$66,795 for the Chairman).
- 4.5. The number of non-executive Directors on the Board may increase and maybe adjusted for CPI increases in the future, each of the members of the Board considers it is prudent and good corporate practice to seek approval of an increase of \$150,000 per annum (to \$500,000 per annum) in the approved maximum remuneration to cater for both CPI increase and any future changes to the composition of the Board.
- 4.6. The Board therefore seeks the approval of Members to increase the maximum approved remuneration for non-executive Directors in the manner indicated in Resolution 4.

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5. Item 5 - Remuneration Report

The Annual Report for the year ended 31 December 2016 contains a Remuneration Report which sets out the remuneration policy of the Company and the remuneration arrangements in place with the Directors.

Under the provisions of the Corporations Act 2001, the shareholder vote is advisory only and will not require the Company to alter any arrangements detailed in the Remuneration Report, should the resolution not be passed. Notwithstanding the legislative effect of this requirement, the Board has determined that it will take the outcome of the vote into consideration when considering the remuneration policy.

6. Item 6 - Ratification of Share Placement

The resolution refers to ASX Listing Rule 7.4. This rule enables a company to restore its ability to issue securities within the 15% limit prescribed by Listing Rule 7.1 by obtaining Member ratification of an issue previously made within that limit provided that the issue did not breach Listing Rule 7.1. The Company confirms that the issue of the shares subject to Resolution 7 did not breach Listing Rule 7.1.

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

- (1) On 30 March 2017 the Company issued 3,863,638 new ordinary shares;
- (2) The shares were issued at \$2.20 each, raising a total of \$8,500,004 (before costs);
- (3) The shares are fully paid ordinary shares that rank equally in all respects with the Company's existing ordinary shares;

- (4) The shares were issued to sophisticated and professional investor clients of Petra Capital Pty Ltd;
- (5) The net funds raised from the placement will be applied towards working capital and will also be applied to future research and development;
- (6) The Company will disregard any votes cast on the resolution by any person who participated in the placement and any associate of those persons. 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 a 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.

7. Mark Ureda

Mark Ureda who was appointed to the Board on 28 April 2005 as the initial nominee of Northrop Grumman Corporation has advised the Chairman that he will not stand for re-election at the Annual General Meeting on 12 May 2017. Mark Ureda would have normally been up for re-election at the Annual General Meeting under the director rotation program.

The Board would like to express their sincere thanks to Mark Ureda for his twelve year's service on the Board and contribution to the Company and wish him every success in the future.



PROXY FORM

I/We _____

(BLOCK LETTERS)

of _____

being the holder of _____ ordinary shares in Electro Optic Systems Holdings Limited hereby appoint:

SECTION A: Complete if you desire to appoint ONE proxy.*

Name: _____

of: _____

SECTION B: Complete if you desire to appoint TWO proxies.**

Name: _____

of: _____

to exercise _____ % of my voting rights; and

Name: _____

of: _____

to exercise _____ % of my voting rights.

+ or failing him or her, the Chairman of the meeting as my proxy to vote and act for me and on my behalf at the **ANNUAL GENERAL MEETING** of Electro Optic Systems Holdings Limited to be held on Friday 12 May 2017 and any adjournment thereof. The Chairman of the meeting intends to vote in favour of the resolution in relation to any undirected proxies.

Direction to proxy

Mark one of the three boxes for each resolution if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies and wish them to vote differently this should be specified.

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of the resolution, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by him for those resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called for on the resolution.

Ordinary Resolutions	In favour of the resolution	Against the resolution	Abstain
1. No vote required	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Appointment of Mr Fred Bart as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Appointment of Mr Peter Leahy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Increase in Non-Executive fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of share placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this _____ day of _____ 2017

Signature of Shareholder(s)



PROXY FORM

NOTES ON PROXY FORMS FOR THE ANNUAL GENERAL MEETING

Notes on Completion of Proxy Forms

- * Complete section A if you desire to appoint one proxy.
- ** Complete section B if you desire to appoint two proxies.
- + Delete if the Chairman is not to be a proxy.

Signing of the proxy form

Each person registered as the holder of the above shares must sign the proxy form personally or by a duly appointed attorney or agent.

If a proxy is given by a corporation, a form of proxy must be executed under common seal of the corporation or under the hand of its attorney.

If a proxy is executed by an attorney of a member the attorney must declare that the attorney has no notice of revocation of the power of attorney and the relevant power of attorney if it has not already been noted by the company, must accompany the form of proxy.

Entitlement to appoint proxies

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

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

Lodgement of Proxy Form

Forms to appoint proxies must be lodged with the Company not later than 9.30 am on Wednesday 10 May 2017 at the Registered Office of Electro Optic Systems Holdings Limited at Suite 3, Level 12, 75 Elizabeth Street, Sydney, NSW 2000.

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

Point at which Voting Rights are Determined

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

The Company's Directors have passed a resolution to the effect that all shares of the Company that are quoted on the ASX at 10 May 2017 at 9.30 am shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time.

Corporate Representative

In order to vote on behalf of a company that is a member of the Company, a valid Appointment of Corporate Representative form must be either lodged with the Company prior to the General Meeting or be presented at the meeting before registering on the Attendee Register for the Annual General Meeting. An Appointment of Corporate Representative form is enclosed if required.



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APPOINTMENT OF A CORPORATE REPRESENTATIVE

Section 250D of the Corporations Act

This is to certify that by a resolution of the Directors of:

_____ (Company)
Insert name of Shareholder

The Company has appointed:

Insert name of Corporation Representative

In accordance with the provisions of section 250D of the Corporations Act, to act as the body corporate representative of that company at the meeting of Electro Optic Systems Holdings Limited to be held on Friday 12 May 2017 and at any adjournments of that meeting.

DATED

Executed by the Company (In accordance with its constituent documents).

Signed by an authorised representative

Signed by an authorised representative

Name of authorised representative [print]

Name of authorised representative [print]

Position of authorised representative [print]

Position of authorised representative [print]

INSTRUCTIONS FOR COMPLETION

Under Australian law, an appointment of a body corporate representative will only be valid if the Certificate of Appointment is completed precisely and accurately.

Please follow the instructions below to complete the Certificate of Appointment:

1. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
2. Print the name and position (eg director) of each company officer who signs this Certificate on behalf of the company.
3. Insert the date of execution where indicated.

Send or deliver the certificate to the Registered Office of Electro Optic Systems Holdings Limited at Suite 3, Level 12, 75 Elizabeth Street Sydney, NSW 2000 or faxed to the Registered Office on (02) 9232 3411.