



ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED

ABN 095 708 364

18 Wormald Street

Symonston, ACT 2609, Australia

+61 2 6222 7900

www.eos-us.com

Securities Trading Policy

Canberra, 14 December 2023

Electro Optic Systems Holdings Limited (**EOS** or **Company**) (ASX: EOS) hereby lodges a copy of its revised Securities Trading Policy with the ASX in accordance with ASX Listing Rule 12.10.

A copy of the Securities Trading Policy is available on the corporate governance section of the Company's website.

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

Further information:

Marguerite Wilson

enquiry@eos-us.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 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 to detect, track, classify 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 communication-on-the-move terminals for defence and government customers.



SECURITIES TRADING POLICY

Securities Trading Policy

1 Purpose

1.1 Scope

This policy summarises the law relating to insider trading and sets out the Company's trading policy on buying and selling the Company's Securities and Financial Products issued over or in respect of the Company's Securities that are able to be traded on a financial market.

1.2 Glossary

Terms used in this policy are defined in the Glossary in schedule 1.

1.3 Who does this policy apply to?

This policy applies as follows:

- part 2 (insider trading laws) and part 7 (confidentiality) apply to everyone (including all Directors, officers, Key Management Personnel, employees and contractors of the Group, their family and Associates (**Relevant Persons**));
- this whole trading policy applies to all Directors, officers and other Key Management Personnel of the Group; and any other persons designated by the Board of the Company from time to time (each a **Designated Person**); and
- paragraph 3.7 (Associates) applies our trading policy to the Associates of Designated Persons as specified in that paragraph.

1.4 Further advice

If you do not understand any aspect of this trading policy or are uncertain whether it applies to you or your Associates, please contact the Company Secretary. You may wish to obtain your own legal or financial advice before dealing in the Company's Securities.

2 Insider trading prohibitions in the Corporations Act

2.1 What are the insider trading prohibitions?

Under the Corporations Act, if you have Inside Information (as defined in paragraph 2.2 below) relating to the Company it is illegal for you to:

- (a) deal in (that is, apply for, acquire or dispose of) the Company's Securities or enter into an agreement to do so or grant, accept, acquire, dispose, exercise or discharge an option or other right or obligation to acquire or dispose of the Company's Securities;
- (b) procure another person to apply for, acquire or dispose of the Company's Securities or enter into an agreement to do so; or
- (c) directly or indirectly communicate, or cause to be communicated, that information to any other person if you know, or ought reasonably to know, that the person would or would

be likely to use the information to engage in the activities specified in paragraphs (a) or (b) above.

Examples of 'dealing' in the Company's Securities

Dealing in Company Securities can include, but is not limited to:

- (a) buying or selling the Company's Securities by way of an on-market or off-market transaction;
- (b) granting, acquiring or disposing of a beneficial interest in the Company's Securities, such as through a trust that holds the Company's Securities;
- (c) applying for, acquiring or exercising options or rights over the Company's Securities;
- (d) acquiring the Company's Securities (or an interest in them) under any employee incentive plan operated by the Company;
- (e) accepting, or taking up entitlements under, a dividend reinvestment plan, rights issue, bonus issue, share purchase plan or any other offer of the Company's Securities made by the Company;
- (f) accepting an offer under a takeover bid for the Company's Securities; and
- (g) agreeing to do any of the above things.

Options are included

These prohibitions also apply to the application for, grant, exercise (save for in certain circumstances) or transfer of an option over the Company's Securities, and to the securities or financial products (each as defined in the Corporations Act) of other entities **if** you possess Inside Information about those entities.

Any capacity

It does not matter how or in what capacity you become aware of the Inside Information. It does not have to be obtained from the Company to constitute Inside Information.

No giving "tips"

You cannot avoid the insider trading prohibition by arranging for a member of your family or a friend to deal in the Company's Securities, nor may you give "tips" concerning Inside Information relating to the Company to others.

The above prohibitions apply to all Relevant Persons (including Designated Persons) at all times.

2.2 What is Inside Information?

Inside Information, in respect of the Company, is information relating to the Company which is not generally available but, if the information were generally available, would be likely to have a material effect on the price or value of the Company's Securities.

Inside Information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.

Information is regarded as being likely to have a material effect if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in the Company's Securities.

Inside Information is also called 'material price-sensitive information'. It need not relate only to the Company. It could also be information about a customer, or supplier of the Group, or a party with whom the Company is discussing future opportunities or negotiating a significant transaction.

Examples of Inside Information could be:

- (a) the financial performance of the Group against its budget;
- (b) changes in the Group's actual or anticipated financial condition or business performance;
- (c) changes in the capital structure of the Company or any other member of the Group, including proposals to raise additional equity or increase debt;
- (d) proposed changes in the nature of the business of the Company or other member of the Group;
- (e) changes to the Board of the Company or other member of the Group or significant changes in Key Management Personnel;
- (f) an undisclosed significant change in the Company's market share;
- (g) likely or actual entry into, or loss of, a material contract by the Company or another member of the Group;
- (h) material acquisitions or sales of assets by the Company or another member of the Group;
- (i) a proposed dividend or other distribution or a change in dividend policy of the Company;
or
- (j) a material claim against the Company, or other member of the Group or other unexpected liability.

2.3 When is information generally available?

Information is generally available if:

- (a) it consists of readily observable matter or deductions;
- (b) it has been brought to the attention of investors through an announcement to ASX or otherwise similarly brought to the attention of investors who commonly invest in securities, and a reasonable period has elapsed since it was announced or brought to investors' attention; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information referred to in paragraphs (a) or (b) above.

Examples of possible readily observable matters are:

- (a) a change in legislation which will affect the Company's ability to make certain types of investments; or
- (b) a severe downturn in global securities markets.

2.4 Penalties

As well as reputational damage for both you and the Company, a breach of the insider trading laws may subject you to:

- (a) criminal liability - penalties include heavy fines and imprisonment;

- (b) civil liability - you can be sued by another party or the Company for any loss suffered as a result of illegal trading activities;
- (c) civil penalty provisions - ASIC may seek civil penalties against you and may even seek a court order that you be disqualified from managing a corporation.

Breach of the law, this policy, or both, will also be regarded by the Company as serious misconduct which may lead to disciplinary action or dismissal.

3 No dealing in Prohibited Periods

3.1 Prohibited Periods

A Designated Person or his or her Associate must not, in any circumstances, deal or procure another person to deal in the Company's Securities if he or she has Inside Information in relation to the Company's Securities.

A Designated Person or his or her Associate must not deal in the Company's Securities during the following prohibited periods (except in accordance with this policy):

- (a) the following periods:
 - (i) from 15 December to the close of trading on the business day after the Company's annual results are announced to ASX (for the avoidance of doubt, this is the Company's preliminary financial results);
 - (ii) from 15 June to the close of trading on the business day after the Company's half year results are announced to ASX;
 - (iii) from the 15th of the month prior to the end of each quarter to the close of trading on the business day after the quarterly business activity report and cashflow report are announced to ASX;
 - (iv) from one month before, to the close of trading on the business day after, the Company's annual general meeting; and
 - (v) from one month before a prospectus or similar disclosure document is lodged by the Company with ASX; and
- (b) any extension to a closed period, and any additional period, as specified by the Board of the Company,

(Prohibited Periods).

Designated Persons may deal in the Company's Securities at other times subject to complying with insider trading prohibitions (see part 2 above) and the requirements of this policy.

The Notification Officer will endeavour to notify each Designated Person of times when he or she is permitted to buy or sell the Company's Securities.

3.2 Prior notification

If a Designated Person proposes to deal in the Company's Securities (including entering into an agreement to deal) at any time they must first provide (using the appropriate Company form – refer to Schedule 2):

- (a) written notice of their intention to the Notification Officers who are the:
 - (i) Chair of the Board and the Chief Executive Officer (and if unavailable, the Chief Financial Officer), for all Directors and alternate Directors of the Company (other than the Chair of the Board);
 - (ii) Chair of the Audit & Risk Committee, Chief Executive Officer (and if unavailable, the Chief Financial Officer), for the Chair of the Board;
 - (iii) Chair of the Board, Chair of the Audit & Risk Committee and the Chief Financial Officer (and if any of these are unavailable, the Company Secretary), for the Chief Executive Officer; and
 - (iv) Chief Executive Officer and the Chief Financial Officer (and if either of these is unavailable, the Company Secretary), for all other Designated Persons; and
- (b) confirmation that you are not in possession of Inside Information.

3.3 Confirmation

Before dealing in the Company's Securities, the Designated Person must receive a confirmation signed by the relevant Notification Officer/s. The Notification Officer/s may give a confirmation in exceptional circumstances (see part 5 below).

A confirmation (i) must be in writing and may be given by hand or emailed, (ii) will only be given if the Notification Officer is satisfied that the applicant has no Inside Information and the circumstances are exceptional, (iii) lapses immediately if the applicant acquires Inside Information, (iv) can be given or refused by the Notification Officer in its absolute discretion without providing any reasons, (v) expires five days from its date, unless it specifies a different expiry date and (vi) may be withdrawn if new information comes to light or there is a change in circumstances.

Confirmation will not be given:

- (a) retrospectively;
- (b) if there is a matter about which there is Inside Information in relation to the Company's Securities (regardless of whether the applicant is aware of it) when a confirmation is requested;
- (c) if there is other reason to believe that the proposed dealing breaches this policy.

The Notification Officer/s must provide the written records of any information or request received in connection with this policy and any confirmation given, to the Company Secretary.

A confirmation confirms that the proposed dealing by the Designated Person is within the terms of the securities trading policy but does not otherwise constitute approval or endorsement by the

Company or the Notification Officer for the proposed dealing. Even if a confirmation is granted, a Designated Person remains personally responsible for their own investment decisions and assessing whether the insider trading prohibitions apply to them.

3.4 Notification of dealing

In addition to providing advance notice under paragraph 3.2, Designated Persons must confirm in writing to the relevant Notification Officer and Company Secretary, within three business days from when the dealing in the Company's Securities has occurred, the number of the Company's Securities affected and the relevant parties to the dealing.

3.5 Notifying interests and updating registers

A register of notifications and clearances is to be kept by the Company Secretary.

A register of Designated Persons' interests in the Company's Securities is to be kept by the Company Secretary.

The Company, its Directors and Company Secretary will comply with requirements regarding notifying Directors' interests and updating Company registers including:

- disclosure obligations under the ASX Listing Rules (such as under ASX Listing Rules 3.1 and 3.19A);
- notifying ASIC of a substantial shareholding or change to that holding (under section 617B of the Corporations Act);
- for notifications, requests and clearances under this policy; and
- for Directors' material, personal interests and standing notices (under Ch 2D div 2 of the Corporations Act).

3.6 Securities of other entities

The ban on insider trading also applies to the securities of other entities **if** you possess Inside Information about those entities. This includes suppliers, contractors and customers of the Group.

3.7 Associates

This policy also applies to Associates of Designated Persons, except for paragraphs 3.2 to 3.4 regarding prior notification, confirmation and notification of dealing. If relevant, a Designated Person must:

- (a) inform their Associates about this policy; and
- (b) communicate on behalf of their Associates with the Notification Officer for the purposes of this policy.

If you are in doubt as to whether a person is an Associate and the application of this policy to them, you should contact the Company Secretary who will make a determination on the issue.

4 Exceptional circumstances

4.1 Request

If there are exceptional circumstances, a Designated Person may request, and the Notification Officer may give, prior confirmation for the Designated Person to:

- (a) deal in the Company's Securities during a Prohibited Period; or
- (b) dispose of the Company's Securities even if otherwise prohibited under part 6,

except if this would breach the insider trading prohibitions - see part 2 above.

4.2 Examples of exceptional circumstances

Exceptional circumstances may include:

- (a) severe financial hardship, for example, a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company Securities;
- (b) requirements under a court order or court enforceable undertakings or other legal or regulatory requirements (for example, a family law settlement); or
- (c) other exceptional circumstances as determined by the Chairman (or Chief Executive Officer where the Chairman is involved).

A liability to pay tax does not normally constitute severe financial difficulty.

If the Notification Officer has any doubt in making a determination of exceptional circumstances, they should exercise the discretion with caution. The Notification Officer also has discretion to determine that circumstances other than those set out above nevertheless warrant the provision of a confirmation.

The requirements of paragraphs 3.2 to 3.4 must be complied with regarding prior notification, confirmation and notification of dealing.

5 Permitted dealings

Certain types of dealing are excluded from the operation of part 4 of this policy and may, save as set out below, be undertaken at any time without requiring prior notification, approval or confirmation of dealing, subject to the insider trading prohibitions. The following are permitted primarily on the basis that the trading is passive, restrictive, outside of the individual's control or there is no underlying change in beneficial owner:

- (a) **(superannuation)** transfers of Securities which are already held into a superannuation fund or other saving scheme in which the Designated Person is a beneficiary, provided that prior written clearance has been provided in accordance with procedures set out in this policy;
- (b) **(takeover)** undertaking to accept, or accepting, an offer for Company Securities made under a takeover bid or disposing of Company Securities under a court-approved compromise or arrangement under Part 5.1 of the Corporations Act;

- (c) **(rights offers, SPPs, DRPs and buy-backs)** trading under an offer or invitation made to all or most of the securityholders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Company's Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (d) **(lender disposal)** a disposal of the Company's Securities that is the result of a secured lender exercising their rights, however, this does not extend to disposal under a margin lending agreement where such agreements are prohibited by this policy;
- (e) **(incentive scheme)** the exercise (but not the sale of the Company's Securities following exercise) of an option or right, under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and the Company has been in an exceptionally long Prohibited Period or the Company has had a number of consecutive Prohibited Periods and the Designated Person could not reasonably have been expected to exercise it at a time when free to do so;
- (f) **(trading plan)** trading under a pre-determined trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy and where:
 - (i) the Designated Person did not enter into the plan or amend the plan during a Prohibited Period; and
 - (ii) the trading plan does not permit the Designated Person to exercise any influence or discretion over how, when, or whether to trade.

However, this policy does not allow the Designated Person to cancel the trading plan or cancel or otherwise vary the terms of their participation in the trading plan during a Prohibited Period other than in exceptional circumstances;

- (g) **(dividend reinvestment plan)** acquiring the Company's Securities under the terms of the Company's dividend reinvestment plan where the Designated Person did not enter into the plan or amend their participation in the plan during a Prohibited Period;
- (h) **(bonus issues)** acquiring the Company's Securities under a bonus issue made to all holders of the Company's Securities of the same class;
- (i) **(no change in beneficial interest)** trading the Company's Securities where the trading results in no change in beneficial interest in the Company's Securities. However, the requirements of paragraphs 3.2 to 3.4 must be complied with;
- (j) **(transfer to SMSF)** transferring the Company's Securities already held into a self-managed superannuation fund in which the Designated Person is a beneficiary for which prior written clearance has been provided in accordance with procedures set out in this policy;
- (k) **(subscription under disclosure document)** subscribing for the Company's Securities under a disclosure document;

- (l) **(family transactions)** transactions between an individual and a close family member or civil partner for which prior written clearance has been provided in accordance with procedures set out in this policy;
 - (m) **(cancellation)** of the Company's Securities as a result of failure to vest or other forfeiture of securities received by individuals as part of performance based remuneration; and
 - (n) **(performance hurdles)** vesting (but not subsequent sale) of the Company's Securities as a result of meeting performance hurdles or release of the Company's Securities from holding lock or holding term in respect of securities received by individuals as part of performance-based remuneration.
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6 Further restrictions

6.1 No margin lending

Designated Persons are not permitted to enter into margin lending arrangements in relation to the Company's Securities. This is on the grounds that the terms may require the Company's Securities to be sold during a Prohibited Period or when the Designated Person possesses Inside Information.

This restriction does not extend to other funding arrangements where the Company's Securities may be included as security. Designated Persons should consult the Company Secretary if they are uncertain as to whether an arrangement should be classified as a margin lending arrangement.

6.2 No short term or speculative trading or short selling

The Company encourages Designated Persons to be long term investors in the Company.

Designated Persons must not engage in short term or speculative trading in the Company's Securities or in derivative or other Financial Products associated with the Company's Securities. Short term means in less than a 6 month period.

Designated Persons are not permitted to engage in short selling of the Company's Securities.

6.3 No hedging or derivatives

Subject to the law, Designated Persons and their closely related parties (as defined in the Corporations Act) must not:

- (a) enter into transactions or arrangements (e.g. a derivative) with anyone which could have the effect of limiting their exposure to risk relating to an element of their remuneration that:
 - has not vested; or
 - has vested but remains subject to a holding lock; or
- (b) deal at any time in Financial Products associated with the Company's Securities, except for the type of dealing permitted by law or under this policy.

7 Confidential Information

You must treat all sensitive, non-public information (**Confidential Information**) about the Company as confidential and belonging to the Company. You must not disclose Confidential Information to others (including family members, relatives, business or social acquaintances) except as authorised or legally required. You must avoid inadvertent or indirect disclosure of Confidential Information. Even within the Company, Confidential Information should be distributed to or discussed with others only on a need-to-know basis, and those people must be told that the information is confidential. Be careful that your conversations are not overheard in elevators, aeroplanes or other public places. Do not leave Confidential Information on conference tables, desks or otherwise unguarded. Take whatever steps are reasonably necessary to keep Confidential Information from being disclosed, except as authorised or legally required.

8 Awareness and training

The highest standards of corporate conduct are critical to the Company's reputation. The Company Secretary will instigate induction and on-going training, and set up appropriate processes, to promote compliance with this policy. A copy of this policy will be available on the Company's website. It will be distributed to all Designated Persons and made available to employees and other persons as relevant.

9 Review and publication of this policy

The Board will review this policy annually to ensure it remains relevant to the current needs of the Company. This policy may be amended by resolution of the Board of the Company.

This policy is available on the Company's website. Key features are also published in the Corporate Governance Statement.

Approved: 11 December 2023

Securities Trading Policy

Schedule 1 - Glossary

Unless the contrary intention appears, these meanings apply in the Securities Trading Policy:

Term	Definition
ASIC	Australian Securities and Investments Commission
Associate	Associates of a Designated Person or a Relevant Person include their closely connected persons and entities, ie their close family members (spouse, partners, dependent children), trusts, companies, nominees and other persons over whom a Designated Person has, or may be expected to have, control or influence. See paragraph 3.7.
ASX	ASX Limited or Australian Securities Exchange, as the context requires
Board	board of Directors
Company	Electro Optic Systems Limited (EOS)
Company Securities or Company's Securities	any securities of the Company including debentures, options, rights, derivatives and other Financial Products issued over or in respect of Company securities that are able to be traded on a financial market
Confidential Information	has the meaning given in part 7
Corporations Act or "CA"	<i>Corporations Act 2001</i> (Cth)
"deal" or "trade"	includes to take part in any transaction associated with buying, selling, acquiring, disposing of, converting or agreeing to do any of these things
Designated Person	has the meaning given in paragraph 1.3
Director	a director appointed to the Board
Financial Products	include derivatives, options, warrants, futures, forward contracts, swaps and contracts for difference issued or created over or associated with Company Securities by third parties but do not include portfolio products that are not specific to the Company, for example index funds
Group	the Company and each of its Subsidiaries
Inside Information	has the meaning given in CA 1042A as summarised in paragraph 2.2
Key Management Personnel	persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including all executive and non-executive Directors (see Accounting Standard AASB 124)

Term	Definition
Notification Officer	the relevant person specified in paragraph 3.2 to whom notice should be given
Prohibited Period	has the meaning given in part 3
Relevant Person	has the meaning given in paragraph 1.2
Subsidiaries	has the meaning given to that term in the Corporations Act

Securities Trading Policy

Schedule 2 – Notification to deal in EOS Securities

Instructions: This form is to be used in conjunction with the Company’s Securities Trading Policy which is available on the website. Terms defined in the Securities Trading Policy have the same meaning in this form. If you have any questions, please contact the Company Secretary. Your Notification Officers are (unless you are notified otherwise):

Applicant	Notification Officer
Chair of the Board	Chair of the Audit & Risk Committee and Chief Executive Officer (and if unavailable, the Chief Financial Officer)
Other Directors	Chair of the Board and Chief Executive Officer (and if unavailable, the Chief Financial Officer)
Chief Executive Officer	Chair of the Board, Chair of the Audit & Risk Committee and Chief Financial Officer (and if any are unavailable, the Company Secretary)
Other Designated Persons	Chief Executive Officer and Chief Financial Officer (and if either of these is unavailable, the Company Secretary)

- If, under the Trading Policy, you are required to notify the Company of a proposed transaction, please complete **Part A** and send it to your Notification Officer/s.
- You must receive **Part B** completed by your Relevant Notification Officer/s before you trade.
- You must also send **Part C** confirming details of your trade to your Notification Officer/s and the Company Secretary within three (3) business days of the trade.

Part A – Prior notification by an applicant

Name of Employee or Director	
Description of Securities (ie number and class of Securities)	
Nature of agreement/dealing (sale/purchase/subscription)	
Proposed date of transaction (ie completion date)	

I confirm that:

1. I am not in possession of any unpublished information which, if generally available, might materially affect the price or value of EOS Securities; and
2. the transaction in EOS Securities described above does not contravene the Securities Trading Policy.

Signed:

Dated:

Part B – Clearance by the Relevant Notification Officer

This clearance confirms that the proposed trade by the applicant is within the terms of the Trading Policy but does not otherwise constitute an approval or endorsement of the proposed trade. You have five (5) days from the date of this clearance to undertake the proposed trade.

Names:

Titles:

Signatures:

Dated:

Part C – Confirmation of dealing by the applicant

Name of applicant	
Description of Securities (ie number and class of Securities)	
Nature of agreement/dealing (sale/purchase/subscription)	
Date of transaction (ie completion date)	