

2023 Annual General Meeting

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

- Notice of 2023 Annual General Meeting;
- Proxy Form; and
- A letter to shareholders regarding arrangements for the 2023 Annual General Meeting as despatched to Shareholders in lieu of the Notice of Meeting.

Authorised for release by the Board of Directors of Elsieht Limited.

-ENDS-

For more information, please contact:

Corporate & Business Enquiries

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About Elsieht

Elsieht (ASX:ELS) (www.elsieht.com) Elsieht delivers Absolute Connection with 24/7 Confidence. Our proprietary bonding technology incorporates both software and hardware elements to deliver extremely reliable, secure, high bandwidth, real-time connectivity - even in the most challenging areas for stationary, portable, or actively mobile situational requirements.



(ACN 616 435 753)

Notice of Annual General Meeting

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

Date: **Wednesday, 31 May 2023**

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

Venue: Virtually via Zoom Webinar, register in advance at:
https://us02web.zoom.us/webinar/register/WN_0S1E1ArLTzGDKur4-r4Gww

The Explanatory Statement and Proxy Form, which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Memorandum and the Proxy Form in their entirety.

Business

Financial Statements and Reports

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

1. Adoption of the Remuneration Report

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

"That the Company adopt the remuneration report for the year ended 31 December 2022 in accordance with section 250R(2) of the Corporations Act 2001 (Cth)."

Notes:

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

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

- a. by or on behalf of a member of the Company's Key Management Personnel (KMP) whose remuneration details are disclosed in the remuneration report for the year ended 31 December 2022 or their closely related parties, in any capacity; or
- b. as proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties.

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

- a. in accordance with the directions on the proxy form; or
- b. by the person chairing the Meeting, in accordance with an express authorisation to exercise the proxy even though Resolution 1 is connected with the remuneration of KMP; or
- c. by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

2. Re-Election of Mr Howard Digby as a Director of the Company

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

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

3. Approval of Employee Securities Incentive Plan

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

"That, for the purposes of ASX Listing Rule 7.2 Exception 13(b), sections 200B and 200E of the Corporations Act 2001, Shareholders approve:

(a) the establishment of an employee securities incentive plan, to be called the "ELS Employee Securities Incentive Plan"; and

(b) for the issue of securities under that Plan,

on the terms and conditions set out in the Explanatory Memorandum accompanying this notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 3 by or on behalf of:

- a. a person who is eligible to participate in the employee incentive scheme; or
- b. an associate of that person or those persons.

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

- a. a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or,
- b. the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- 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:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Ratification of the Issue of Convertible Notes and their Underlying Securities Pursuant to ASX Listing Rule 7.4

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

"That for the purposes of ASX Listing Rule 7.4 and all of other purposes, Shareholders ratify the issue of 433,833 Convertible Notes (convertible into a maximum of 433,833 Shares), on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 4, by or on behalf of:

- a. Gleneagle Securities Nominees Pty Ltd, or
- b. an associate of that person or those persons.

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

- a. by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- b. by the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- 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:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman intends to vote all available undirected proxies in favour of Resolution 4.

5. Approval of Additional 10% Placement Capacity

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

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

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- a. any person who may participate in the proposed issue of equity securities under this Resolution 5 and any person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder. If Resolution 5 is passed; or
- b. an associate of that person or those persons.

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

- a. by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- c. by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chairman intends to vote all available undirected proxies in favour of Resolution 5.

Note: In accordance with ASX Listing Rule 14.11.1 and the relevant note under that rule concerning ASX Listing Rule 7.1A, as at the date of this notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no Shareholders are currently excluded.

Other business

To consider any other business that may lawfully be brought forward in accordance with the Constitution of the Company or the law.

Other information

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

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

Voting by proxy

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

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

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

- (a) appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth) (the **Corporations Act**); and

- (a) provide satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

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

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

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

Proxy forms must be submitted **no later than 4:00 pm (AEST) on Monday, 29 May 2023** in one of the following ways:

- (a) by mail to the Company's share registry, Automic Registry Services, GPO Box 5193, Sydney NSW 2001
- (b) by fax to Automic Registry Services on +61 2 85833040
- (c) by email to meetings@automicgroup.com.au
- (d) online via <https://investor.automic.com.au/#/loginsah>
- (e) by hand delivery at Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

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

Attendance and Voting

The Company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Zoom Webinar, where shareholders will be able to watch, listen, ask questions and vote online.

To access the virtual meeting you will need to have registered in advance for the meeting at https://us02web.zoom.us/webinar/register/WN_0S1E1ArLTzGDKur4-r4Gww. After registering, you will receive a confirmation containing information on how to attend the virtual meeting.

Entitlement to vote

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that for the purposes of the meeting, shares will be taken to be held by the persons who held them as registered Shareholders at 7:00 pm (AEST) on Monday, 29 May 2023. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Voting Intentions

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

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

Questions and Comments by Shareholders at the Meeting

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders - as a whole - to ask questions or make comments on the management of the Company at the Annual General Meeting. Relevant written questions must be submitted no later than 5:00pm (AEST) on Wednesday, 24 May 2023, via infoaustralia@acclime.com. A list of those questions will be available to Shareholders attending the meeting. A representative who has been designated by the management of the Company will either answer questions at the meeting or table written answers to them at the meeting. If written answers

are tabled at the meeting, they will be made available to Shareholders as soon as practicable after the meeting.

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

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

Shareholders may also submit a written question to BDO Audit (WA) Pty Ltd if the question is relevant to the content of BDO Audit (WA) Pty Ltd's audit report or the conduct of its audit of the Company's financial report for the year ended 31 December 2022.

Relevant written questions to BDO Audit (WA) Pty Ltd must be submitted no later than 5:00pm (AEST) on Wednesday, 24 May 2023. A list of those questions will be available to Shareholders attending the meeting. BDO Audit (WA) Pty Ltd will either answer questions at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be made available to Shareholders as soon as practicable after the meeting.

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

By facsimile - +61 3 9602 4709;

Post to – c/ Acclime – PO Box 374, Flinders Lane, VIC 8009; and

Email - infoaustralia@acclime.com

By order of the Board



Mark Licciardo
Company Secretary

28 April 2023



(ACN 616 435 753)

Explanatory Memorandum

This Explanatory Memorandum sets out further information regarding the proposed resolutions to be considered by Shareholders of Elsie Limited (**ELS** or the **Company**) at the 2023 Annual General Meeting to be held commencing at 4:00pm (AEST) on Wednesday, 31 May 2023 via a Zoom Webinar, register in advance at https://us02web.zoom.us/webinar/register/WN_0S1E1ArLTzGDKur4-r4Gww.

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

Financial Statements and Reports

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

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

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

Resolution 1 – Adoption of Remuneration Report

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

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

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

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

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

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

Resolution 2 - Re-election of Mr Howard Digby as a Director

Clause 14.2 of the Company's Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. Mr Digby, who has served as a director since 13 December 2016, retires by rotation and seeks re-election.

Mr Digby began his career at IBM and has spent 25 years managing technology related businesses in the Asia Pacific region, of which 12 years were spent in Hong Kong. More recently, he was with The Economist Group as Regional Managing Director. Prior to this, he held senior regional management roles at Adobe and Gartner. Upon returning to Perth, Mr Digby served as an Executive Editor of WA Business News and now spends his time as an advisor and investor, having played key roles in several M&A and reverse

takeover transactions. He is on the board of 4DS Memory Ltd, Vortiv Ltd, Cirralto Ltd and Singular Healthcare Ltd.

Having regard to the ASX Principles, the Company's Board considers Mr Digby as an independent director.

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

Resolution 3 – Approval of Employee Securities Incentive Plan

The Company considers that it is desirable to adopt an updated employee incentive scheme to be called the "ELS Employee Securities Incentive Plan" (**Plan**).

The Plan is intended to provide an opportunity to eligible participants to participate in the Company's future. Further, the Plan acts as a mechanism to ensure the interests of Shareholders and the management and employees of the Company are aligned.

Resolution 3 seeks Shareholder approval for the adoption of the Plan in accordance with ASX Listing Rule 7.2 Exception 13(b).

A summary of the Plan is set out in Schedule 2.

The Plan incorporates recent amendments to the Corporations Act for employee share schemes (**New Legislation**).

Summary of New Legislation

The *Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022* (Cth) introduced a new Division 1A into Part 7.12 of the Corporations Act in relation to employee share schemes (**New Rules**). The legislation came into effect on 1 October 2022.

The New Rules will eventually replace the existing ASIC Class Order [CO 14/1000] and ASIC Class Order [CO 14/1001] (together, the **Class Orders**).

A summary of the key changes applicable to the Company under the New Rules are set out below.

(a) Expanded eligibility

Class Order relief is only available for issues to directors, full time and part time employees and casual employees or contractors that are 40% or more full time equivalent.

Under the New Rules, an offer may only be made to specified "primary participants" (being directors, employees and service providers, with no minimum requirements of hours of service provided) or certain related persons of a primary participant (including a spouse, parent, child or sibling of the primary participant; controlled bodies corporate of the primary participant or bodies corporate that are trustees of the primary participant's self-managed superannuation fund).

(b) Issue cap

The Class Orders provide for an issue cap of 5% of a listed entity's fully paid shares over a rolling period of 3 years (irrespective of whether monetary consideration is required).

Under the New Rules, there is no cap on issues made for no monetary consideration. Caps only apply to issues made for monetary consideration (being the cap set out in the company's constitution or if there is no such cap in the constitution, then 5% for listed entities unless a higher cap is specified in the relevant regulations (if any)).

Further, offers of eligible interests to participants under an employee securities incentive plan which would not ordinarily require disclosure, such as offers to senior managers or small-scale offerings are not required to comply with the issue cap.

(c) Disclosure requirements

The Class Order does not distinguish between offers for monetary consideration and those without, with the same disclosure requirements for both offers.

Under the New Rules, offers made for no monetary consideration do not have any specific disclosure requirements. In the case of offers made for monetary consideration, an offer document is required (with specific disclosure requirements) and participants cannot acquire their interests until 14 days after receiving the necessary offer disclosure from the entity.

(d) Quotation and suspension requirements

Class Order relief is only available where an entity meets the minimum quotation period of 3 months prior to making an offer of eligible interests. In addition, relief is prohibited if an entity is suspended from quotation for over 5 days in the preceding 12-month period.

Under the New Rules, listed entities can offer eligible interests without first meeting any minimum quotation period, and regardless of any suspensions to the trading of securities.

(e) On sale relief

The Class Order provides relief from the on-sale provisions for securities issued under the Class Order.

Pursuant to the New Rules, listed entities must issue a cleansing notice to ensure that any Shares issued (including following the exercise of any options and performance rights) may be on-sold within 12 months of issue.

(f) Criminal offences

A number of new offences created under the New Rules, including misleading and deceptive statement offences and offences relating to holding participants' money. In addition, regulatory relief can be revoked if any of the below are breached:

- (i) compliance with the monetary cap;
- (ii) compliance with the issue cap; and
- (iii) providing disclosure documents at the required time.

Information required for Listing Rules 7.1 and 7.2 Exception 13(b)

Shareholder approval is not required under the Corporations Act or the Listing Rules for the operation of the Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of the Listing Rules 7.1 and 7.1A on the number of securities that may be issued without Shareholder Approval. Listing Rule 7.2 exception 13(b) provides that Listing Rules 7.1 and 7.1A do not apply to an issue of securities under an employee incentive scheme that has been approved by Shareholders, where the issue of securities is within 3 years from that date of Shareholder approval of the issue of securities under the employee incentive scheme.

The Plan participation is limited to Directors, employees and service providers of the Company. If an issue is to be made to Directors, then separate Shareholder approval will need to be obtained.

Pursuant to and in accordance with ASX Listing Rule 7.2 Exception 13, the following information is provided in relation to this Resolution:

- (a) a summary of the key terms of the Plan is set out in Schedule 2;
- (b) as this is a new plan being put to Shareholders, no Securities have been issued under it to date. The Company previously issued 11,318,452 Options pursuant to its existing employee share option plan which was last approved at the 2020 Annual General Meeting.

- (c) the Company is seeking Shareholder approval to adopt the Plan to include the new terms and conditions required by Division 1A of Part 7.12 of the Corporations Act, which replaced the previous relief provided by ASIC Class Order 14/1000 (Employee Incentive Scheme)
- (d) a maximum of 22,547,937 Securities would be available to be issued under the Plan if approved by Shareholders (being representing approximately 15% of the number of Shares on issue as at the date of this Notice). This maximum number is not intended to be a prediction of the actual number of Securities to be issued under the Plan, but simply a maximum number for the purposes of setting a ceiling on the number of Securities to be issued under the Plan for the purposes of Listing Rule 7.2, exception 13(b). In any event, no Securities will be issued if to do so would contravene any applicable laws, including the issue cap under the New Rules which applies to issues for monetary consideration (refer to Section 6.2(b) above); and
- (e) the passing of Resolution 3 will allow the Company to issue securities for the benefit of participants of the Plan whilst preserving the Company's placement limits for issuing securities and provide flexibility in the manner in which the Plan is managed.

If Resolution 3 is not passed, the Company may still issue securities to key personnel other than Directors on the terms as set out in Schedule 2, however those securities will count towards the Company's 15% placement capacity under ASX Listing Rule 7.1.

Technical information requirement by Listing Rule 14.1A

Resolution 3 seeks Shareholder approval for the issued of Securities under the Plan to be an exception from Listing Rule 7.1 for a period of 3 years.

If Shareholders approve this Resolution, any issue of Securities under the Plan over the 3 years after the date of the Meeting (up to the maximum number set out above) will not use up a portion of the Company's Placement Capacity when that issue is made. This means that the Company will preserve its flexibility to issue the equity securities without seeking Shareholder approval if and when it issues Securities under the Plan.

It should be noted that if the Resolution is passed, the Company will only be able to issue equity securities under the Plan to eligible participants who are unrelated parties without seeking prior Shareholder approval. Any proposed issue of Securities to a Director or other related party, or any of their associates, under the Plan will require prior Shareholder approval under Listing Rule 10.14.

If Shareholders do not approve this Resolution, the Company may still decide in future to issue Securities to eligible employees and consultants who are unrelated parties under the Plan, but each such issue will not be exempt from Listing Rule 7.1 and will use up a portion of the Company's Placement Capacity at the relevant time made (unless another exemption from Listing Rule 7.1 is applicable). The issue of Securities under the Plan in those circumstances would therefore reduce the Company's ability to issue equity without seeking Shareholder approval.

Further Voting restrictions

As Resolution 3 could relate to the provision of an Employment Retirement Benefit, in accordance with section 200E(2A) of the Corporations Act, a vote on Resolution 3 must not be cast (in any capacity) by or on behalf of any person who may be entitled to receive a benefit in connection with that person's retirement from a managerial or executive office in the Company (or any related body corporate), or an associate of that person. However, a person is entitled to cast a vote if:

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

Termination benefits under the Plan

Section 200B of the Corporations Act requires shareholder approval by ordinary resolution, and in accordance with the special provisions of section 200E of the Act, in order to access the exemption from the prohibition on a company giving a person a benefit in connection with that person's retirement from an

office or position of employment in that company where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office in that company.

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

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

Value of termination benefits

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

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

A Voting Exclusion applies to this Resolution.

Board recommendation

Approval of this Resolution will enable the Company to preserve its flexibility under its Placement Capacity when it issues Securities under the Plan for a period of 3 years after the Meeting. Directors are eligible to be offered Securities under the Plan, however, any proposed issue of Securities to a Director or their associates requires prior Shareholder approval under Listing Rule 10.14 before it can be made, and the passing of this Resolution will not enable the Company to issue any equity securities to a Director or their associates. The Directors recommend that Shareholders vote in favour of this Resolution.

Resolution 4 – Ratification of the Issue of Convertible Notes and their Underlying Securities Pursuant to ASX Listing Rule 7.4

This proposed resolution concerns a fundraising announced by the Company on 4 November 2022. The fundraising comprises a offer of secured convertible notes with a Face Value of A\$0.30 each of which convert into one Share (**Convertible Notes**) to raise up to \$8 million before costs (**Capital Raise**).

Shareholders previously approved the Capital Raise at the General Meeting held on 19 December 2022 to issue up to 26,666,666 Convertible Notes of which 25,149,500 Convertible Notes were issued on 30 December 2022. As per Listing Rule 7.5.5 securities that were not issued within a 3-month period from the approval date are required to be ratified by Shareholders again. Subsequently, the Company seeks ratification for 433,833 Convertible Notes issued on 5 April 2023 (**April Convertible Notes**).

These Convertible Notes were agreed to be issued to Gleneagle on or about 5 April 2023.

The Convertible Notes convert into a total of 433,833 Shares (**Conversion Shares**).

The material terms of the Convertible Notes are summarised in Schedule 1.

The Company issued the Convertible Notes and provided for the issue of the Conversion Shares without prior Shareholder approval using its 15% placement capacity under Listing Rule 7.1.

The maximum number of Conversion Shares was within the Company's capacity under ASX Listing Rule 7.1 as at the date the Company issued the Convertible Notes.

The Convertible Notes were not placed to any Related Parties of the Company.

Listing Rules 7.1 and 7.4

Broadly speaking, and subject to exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Convertible Notes and the Conversion Shares do not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval.

Listing Rule 7.4 allows shareholders of a listed company to approve an issue of securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and therefore does not reduce the company's capacity to issue further securities without shareholder approval. The Company wishes to retain flexibility to potentially issue further securities in the future.

Information required by Listing Rule 14.1A

If Resolution 4 is passed, the Convertible Notes and the Conversion Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Convertible Notes and the Conversion Shares.

If Resolution 4 is not passed, the Convertible Notes and the Conversion Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, decreasing the number of securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Convertible Notes and the Conversion Shares.

Information required under Listing Rule 7.5

Pursuant to Listing Rule 7.5, the following information is provided in respect of Resolution 4:

1. Name of the person/s to whom the Company issued the securities:

Noteholder: Gleneagle Securities Nominees Pty Ltd, who is not a related party of the Company.

2. Number and class of securities issued:

A total of 433,833 Convertible Notes were issued (which are convertible into 433,833 Ordinary Shares)

3. Material terms of the securities:

The Convertible Notes were issued on the terms as detailed in Schedule 1. The underlying 433,833 Ordinary Shares will rank equally with all other fully paid ordinary shares of the Company on issue.

4. Date securities were issued:

433,833 Convertible Notes were issued on 5 April 2023.

5. Purpose and use of funds:

Funds raised from the Capital Raise will strengthen Elsie's balance sheet and allow the Company to execute on growth initiatives. During 2022, Elsie signed a number of multi-year commercial agreements with various partners and while initial orders have been received, the Company is expecting multiple repeat orders under these agreements.

Funds raised will enable the Company to continue its growth strategy and fund additional capital expenditure to ensure it is able to satisfy the unmanned market demands while going towards mainstream commercial adaptation.

Funds raised will also be applied to general working capital requirements of the business as it continues to grow and scale.

6. Agreements:

The Convertible Notes were agreed to be issued on the terms as detailed in Schedule 1.

The Company agreed to issue the Convertible Notes under a subscription agreement in respect of the Capital Raise entered into with Gleneagle on 4 November 2022.

7. Voting Exclusion:

A voting exclusion statement is included in the notice of meeting.

Board Recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 4. The Chairman of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 4.

Resolution 5 – Approval of Additional 10% Placement Capacity

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

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

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

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

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

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

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

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

(A x D) – E

Where:

A = is the number of shares on issue at the commencement of the relevant period:

- (i) plus the number of shares issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- (ii) plus the number of shares issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
 - a. the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - b. the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under ASX Listing Rule 7.1 or 7.4;
- (iii) plus the number of shares issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
 - a. the agreement was entered into before the commencement of the relevant period; or
 - b. the agreement or issue was approved, or taken under these rules to have been approved, under ASX Listing Rule 7.1 or rule 7.4,
- (iv) plus the number of any other shares issued in the relevant period with approval under ASX Listing Rule 7.1 or 7.4;
- (v) plus the number of partly paid shares that became fully paid in the relevant period; and

(vi) less the number of shares cancelled in the relevant period.

D = 10%.

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

Technical information required by Listing Rule 7.1A

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

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

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

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 10 ASX trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

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

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

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

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

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

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

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.150 50% decrease in Issue Price	\$0.300 Issue Price	\$0.600 100% increase in Issue Price
Current Variable A 150,319,581	10% Voting dilution	15,031,958	15,031,958	15,031,958
	Funds raised	\$2,254,794	\$4,509,587	\$9,019,175
50% increase in current Variable A 225,479,372	10% Voting dilution	22,547,937	22,547,937	22,547,937
	Funds raised	\$3,382,191	\$6,764,381	\$13,528,762
100% increase in current Variable A 300,639,162	10% Voting dilution	30,063,916	30,063,916	30,063,916
	Funds raised	\$4,509,587	\$9,019,175	\$18,038,350

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of shares available under ASX Listing Rule 7.1A;
- (ii) The table shows only the effect of shares issues under ASX Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1;
- (iii) The current issue price is \$0.30, being the closing price of the shares on ASX on 22 March 2023.
- (iv) The current number of shares on issue is the shares on issue as of 22 March 2023, being 150,319,581

The table shows:

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

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

- (i) 31 May 2024, being 12 months from the date of the Meeting; or
- (ii) the date Shareholder approval is granted to a transaction under ASX Listing Rule 11.1.2 (proposed change to nature and scale of activities) or ASX Listing Rule 11.2 (change involving main undertaking); or
- (iii) the time and date of the Company's next annual general meeting.

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

Purpose of Issue under 10% Placement Capacity: The Company may issue equity securities under the 10% Placement Capacity for various purposes including as cash consideration in which case the Company intends to use funds raised to intensify and aggressively pursue its stated intention to separate the individual business units within the Company according to its six main and autonomous businesses.

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

Allocation under the 10% Placement Capacity: The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities

could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

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

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

Previous Approval under ASX Listing Rule 7.1A: The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at the 2021 Annual General Meeting held on 27 May 2022.

Information required under ASX Listing Rule 7.3A.6: The Company has issued nil Shares under ASX Listing Rule 7.1A.2 over the 12 months preceding the date of the Meeting, representing 0.00% of the total number of equity securities on issue at commencement of the 12-month period.

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

Glossary

In this Explanatory Memorandum and the Notice of Meeting:

ASX Listing Rules means the listing rules of the ASX Limited

Board means the Board of Directors of the Company.

Company means Elsieht Limited.

Constitution means the Constitution of the Company.

Director means a Director of the Company.

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

Meeting means the Annual General Meeting of the Company the subject of this Notice of Meeting scheduled to occur on Wednesday, 31 May 2023.

Option means option to acquire a Share.

Shareholder means a holder of a Share.

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

Schedule 1:

Convertible Note Terms

Borrower:	Elsight Limited ACN 616 435 753 of 330 Collins Street, Melbourne VIC 3000
Guarantor(s)	All subsidiaries of the Borrower
Facility Type:	Senior Secured Convertible Notes
Investment:	A\$8,000,000
Lenders/Noteholders:	Wholesale and sophisticated investors only
Security	General Security Deed over all assets of the Borrower and its subsidiaries
Investor:	Gleneagle Securities (Aust) Pty Ltd ACN 136 930 526 (or a wholly owned subsidiary)
Compliance with ASX Listings Rules	To the extent the Borrower does not have sufficient Listing Rule 7.1 capacity to allow for the immediate issue of the maximum number of ordinary shares into which the Convertible Notes may convert, the Borrower will promptly seek shareholder approval under that Rule. Failure by the Borrower to procure shareholder approval within two months of the first issue of the Convertible Notes will constitute an Event of Default requiring immediate repayment of the Facility
Use of Proceeds:	The funds raised by the Company used to acquire additional inventory, to fund additional capital expenditure to seek to ensure that the Company is able to satisfy sale orders expected to be received over the next 24 months and for general working capital (including to pay the costs of the Offer) purposes
Term/Maturity:	24 months from the date of issue of the Convertible Notes
Interest Rate:	8% per annum capitalised (i.e. paid on redemption or conversion)
Interest Payment Date:	Interest is payable at the Interest Rate on the earlier of (i) the date a Convertible Note is converted into ordinary shares; (ii) the occurrence of an Event of Default; (iii) the date the Facility is repaid in full or (iv) the expiry of the Term
Interest Payment Option	At the sole election of each Noteholder, interest is payable by the Borrower either (i) in cash; or (ii) in fully paid ordinary shares in the Borrower issued at an issue price of \$0.30 per share
Face value of each Convertible Note:	\$0.30 per Convertible Note
Conversion at Noteholder's sole option	Noteholders may convert their Convertible Notes in parcels of not less than 100,000 at any time between the period commencing on the first anniversary of the date on which the Convertible Notes are issued and ending on Maturity by delivery of a Conversion Notice to the Borrower
Conversion Price	Subject to variation below, each Convertible Note converts into one fully paid ordinary share in the equity capital of the Borrower

Variation to Conversion Price	The Conversion Price will be adjusted for any restructuring or capital raisings by the Borrower in accordance with the ASX Listings Rules
Repayment:	Unless converted by a Noteholder prior, all Convertible Notes outstanding under the Facility must be repaid in full on Maturity (or the occurrence of an Event of Default, if earlier) together with any outstanding interest
Prepayment:	Prepayment is permitted by the Borrower at any time with 30 days' notice to the Noteholders. At the sole election of each Noteholder, prepayment is payable by the Borrower either (i) in cash; or (ii) in fully paid ordinary shares in the Borrower issued at an issue price of \$0.30 per share.
Arranger and Security Trustee Fees:	4% of the Facility Limit, payable upfront out of the initial drawdown of the Facility In addition, Security Trustee to be indemnified for any costs incurred in enforcing the General Security Deed
Convertible Note Facility Documents:	• Convertible Note Subscription Agreement; • Convertible Note Deed Poll; • General Security Agreement from the Borrower (which must be first ranking) over all assets; and • Security Trust Deed
Conditions Precedent to Initial Utilisation:	Standard conditions precedent for a facility of this type in form and substance satisfactory to the Arranger
Conditions Precedent to all Utilisations:	Standard for a Facility of this nature but to include evidence of purpose and no default
Representations & Warranties:	The Facility Documents will contain representations and warranties usual for a facility of this nature to be made by the Borrower on the date of execution of the Facility Documents, and repeated monthly
Undertakings:	The Facility Documents will contain undertakings usual for a facility of this nature
Information and reporting obligations:	The Borrower must provide the Lender, among other things, the following information: • annual consolidated accounts; • half yearly consolidated accounts; • certain events occurring such as default, breach of authorisation, litigation, compulsory acquisition of assets and, loss of or termination of authorisations.
Events of Default:	The Facility Documents will contain events of default usual for a facility of this nature, including but not limited to: • failure to obtain shareholder approval to the extent necessary to permit the issue of the required number of Convertible Notes in excess of the Borrower's Listing Rule 7.1 capacity within two months of the first issue of Convertible Notes • failure to pay any amount owing under the Facility within 2 Business Days after/on its due date; • failure to comply with any other obligation under the Facility

documentation within 10 Business Days of the earlier of notice of the breach being given to the Borrower and the Borrower becoming aware of the breach;

- reach of representation or warranty not cured within 10 Business Days of the earlier notice of the breach being given to the Borrower and an Obligor becoming aware of the breach;
- cross default;
- events of Insolvency;
- change of control;
- invalidity of documents;
- loss of material authorisations or licences; and
- material adverse effect.

Consequences of an Event of Default:

On and at any time after the occurrence of an Event of Default, all amounts outstanding under the Facility will become due and payable and the Arranger may exercise any other rights of the Noteholders under the Facility Documents (and in particular, the General Security Deed & Security Trust Deed)

Illegality, Increased Costs and Indemnities:

Customary illegality, increased cost and market disruption provisions to apply

Customary indemnity provisions to apply

Legal and Other Costs and Expenses:

For the Borrower's account, including legal costs on a full indemnity basis associated with negotiating and documenting the Facility and enforcing or considering enforcing its rights and all stamp and other duties, taxes (other than income tax) and statutory charges

Liquidity/Assignment:

The Notes will not be listed, however, the Noteholders will have the right to assign, transfer, novate, sub-participate or otherwise deal with the Notes or their rights and obligations under the Convertible Notes without the consent of the Borrower

The Borrower may not assign, transfer, or otherwise deal with its rights and obligations in connection with the Facility without the prior written consent of the Arranger

Governing Law:

New South Wales

Schedule 2:

Employee Securities Incentive Plan

A summary of the terms of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
 - (i) is an 'ESS participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company for an invitation made on or after 1 October 2022; and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Purpose):** The purpose of the Plan is to:
 - (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion except to the extent that it prevents the Company relying on the deferred tax concessions under Subdivision B3A-C of the *Income Tax Assessment Act 1997* (Cth). The Board may delegate its powers and discretion.
- (d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
- (e) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. Unless in 'Special Circumstances' (as defined in the Plan) with the consent of the Board, a Participant may not sell, assign, transfer, grant a security interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a Derivative with reference to, or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
- (g) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting

notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

- (h) **(Exercise of Convertible Securities and cashless exercise):** To exercise an Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Cashless exercise of Convertible Securities):** At the time of exercise of the Convertible Securities, subject to Board approval at that time, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

If the difference between the total exercise price otherwise payable for the Convertible Securities being exercised and the then market Value of the Share at the time of exercise and the exercise price is zero or negative, then the Eligible Participant will not be entitled to use the cashless exercise facility.

- (j) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (k) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, acted negligently, acted in contravention of a Group policy or wilfully breached his or her duties to the Group, the Board will deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (m) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends

declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

- (n) **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (o) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (p) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) **(Compliance with Applicable Laws):** Notwithstanding the Plan rules or any terms of a Security, no Security may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any applicable laws.

Where monetary consideration is payable by the Eligible Participant, and in respect to Convertible Securities where the Exercise Price on exercise of those Convertible Securities is greater than zero, the Company must reasonably believe when making an invitation:

- (i) the total number of Plan Shares that are, or are covered by the Securities that may be issued under an invitation; and
- (ii) the total number of Plan Shares that are, or are covered by the Securities that have been issued, or could have been issued in connection with the Plan in reliance on Division 1A of Part 7.12 of the Corporations Act at any time during the previous 3 year period prior to the date the invitation is made,

does not exceed:

- (iii) if the Constitution specifies an issue cap percentage, that percentage; or
- (iv) if the Constitution does not specify an issue cap percentage, 5% (or such other maximum permitted under any Applicable Law),

of the total number of Shares on issue at the date of the invitation.

- (r) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (s) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Proxy Voting Form

If you are attending the virtual Meeting
please retain this Proxy Voting Form
for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **4.00pm (AEST) on Monday, 29 May 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

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Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.

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By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

28 April 2023

Dear Shareholder

ELSIGHT LIMITED - ANNUAL GENERAL MEETING 2023

Elsight Limited ACN 616 435 753 (ASX:ELS) (**Elsight** or **the Company**) is pleased to invite the shareholders to attend the Annual General Meeting (**AGM**) to be held virtually at **4:00pm (AEST)** on **Wednesday, 31 May 2023**.

The Company's Meeting will be held virtually via a live Zoom webinar. Further information on how to participate in the Meeting is provided in the Notice of Meeting (**Notice**) and on our website at <https://elsight.com/investor-relations/>.

To attend the virtual AGM, please pre-register in advance for the meeting here:

https://us02web.zoom.us/webinar/register/WN_0S1E1ArLTzGDKur4-r4Gww

After registering, you will receive a confirmation containing information on how to attend the virtual meeting.

The Company strongly encourages all Shareholders to vote either by directed proxy or direct voting prior to the AGM. Voting forms for the AGM should be lodged before 4:00pm (AEST) on Monday, 29 May 2023. A copy of your personalised voting form is enclosed.

Shareholders who wish to attend and participate in the virtual AGM can do so via the online meeting platform, where Shareholders will be able to watch, listen, ask questions and vote online. Details on how to access the virtual AGM are provided in the Notice. Shareholders can also submit, and are encouraged to submit, any questions in advance of the AGM by emailing questions to infoaustralia@acclime.com by no later than 4:00pm (AEST) on Wednesday, 24 May 2023.

In accordance with section 253RA(2) of the Corporations Act 2001 (Cth), the Notice and accompanying Explanatory Memorandum and annexures are being made available to shareholders electronically under the 'ASX Announcements' section on the Company's website at <https://elsight.com/investor-relations/>.

The Notice and the accompanying Explanatory Memorandum should be read in its entirety. The Explanatory Memorandum contains important information about the matters to be considered at the AGM to assist Shareholders to determine how to vote on the resolutions set out in the Notice.

Should you wish to discuss any of the matters detailed in this letter, the Notice or the Explanatory Memorandum, please contact the Company Secretary on +61 3 8689 9997 or via email at m.licciardo@acclime.com.

As a valued shareholder of the Company, we look forward to your participation in the Meeting.



Mark Licciardo
Company Secretary
Elsight Limited