ODETICS INC
Form DEF 14A
July 29, 2002

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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý
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Check the appropriate box:
o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
ý Definitive Proxy Statement
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o Soliciting Material Pursuant to § 240.14a-11(c) or § 240.14a-12

ODETICS, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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ODETICS, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held September 13, 2002

To the Stockholders of Odetics, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Odetics, Inc., a Delaware corporation, will be held on Friday, September 13, 2002 at 10:00 a.m., Pacific Time, at the principal executive offices of Odetics located at 1515 South Manchester Avenue, Anaheim, California 92802 for the following purposes, as more fully described in the proxy statement accompanying this Notice:

1. To elect eight directors to serve on the Board of Directors of Odetics two directors by the holders of the Class A common stock and six directors by the holders of the Class A common stock and the holders of the Class B common stock, voting together as a single class.

2. To ratify the appointment of Ernst & Young LLP as the independent auditors of Odetics for the fiscal year ending March 31, 2003.

3. To transact any other business which may properly come before the meeting or any adjournment(s) or postponement(s) thereof.

The Board of Directors has fixed the close of business on July 26, 2002 as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting and at any continuation or adjournment thereof. A list of stockholders entitled to vote at the meeting will be available for inspection at the principal executive offices of Odetics.

You are cordially invited to attend the meeting in person. Whether or not you plan to attend the meeting, please mark, sign, date and return the enclosed proxy card as soon as possible in the envelope enclosed for your convenience. Should you receive more than one proxy because your shares are registered in different names and addresses, each proxy should be signed and returned to assure that all of your shares will be voted. You may revoke your proxy at any time prior to the meeting. If you attend the meeting and vote by ballot, your proxy will be revoked automatically and only your ballot vote at the meeting will be counted.

Sincerely,

/S/ GARY W. SMITH

Gary W. Smith
Secretary

Anaheim, California
July 26, 2002

YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES YOU OWN. PLEASE READ THE ATTACHED PROXY STATEMENT CAREFULLY, COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE AND RETURN IT IN THE ENCLOSED ENVELOPE.

ODETICS, INC.

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD SEPTEMBER 13, 2002

General

These proxy materials and the enclosed proxy card are being furnished in connection with the solicitation of proxies by the Board of Directors of Odetics, Inc., a Delaware corporation, to be voted at the Annual Meeting of Stockholders to be held on September 13, 2002 (the "Annual Meeting") and any adjournment or postponement of the meeting. The Annual Meeting will be held at 10:00 a.m., Pacific Time, at the principal executive offices of Odetics located at 1515 South Manchester Avenue, Anaheim, California 92802. These proxy materials and the form of proxy were first mailed to the stockholders of Odetics on or about August 6, 2002.

The mailing address of the principal executive offices of Odetics is 1515 South Manchester Avenue, Anaheim, California 92802.

Purpose of Meeting

The specific proposals to be considered and acted upon at the Annual Meeting are summarized in the accompanying Notice of Annual Meeting of Stockholders. Each proposal is described in more detail in this proxy statement.

Voting Rights

The record date for determining those stockholders who are entitled to notice of, and to vote at, the Annual Meeting has been fixed as July 26, 2002. At the close of business on the record date, 11,580,914 shares of the Class A common stock of Odetics, par value $0.10 per share, and 1,035,841 shares of the Class B common stock of Odetics, par value $0.10 per share, were outstanding. The Class A common stock and Class B common stock of Odetics are collectively referred to as the "common stock."

Holders of the Class A common stock are entitled to elect 25% of the Board rounded up to the nearest whole number, or two directors. The holders of the Class A common stock and the holders of the Class B common stock, voting together as a single class, will be entitled to elect the balance of the Board, or six directors. Directors will be elected by a plurality of the voting power of the class or classes, as the case may be, of common stock entitled to vote and present in person or represented by proxy at the Annual Meeting, unless cumulative voting is in effect. With respect to the election of directors, when voting together as a single class, the holders of Class A common stock are entitled to one-tenth of one vote per share held and the holders of Class B common stock are entitled to one vote per share held.

Pursuant to the bylaws of Odetics, no stockholder is entitled to cumulate his or her votes (as described above) for candidates other than those whose names have been placed in nomination prior to the commencement of voting and unless at least one stockholder has given notice prior to commencement of the voting of his or her intention to cumulate votes. If any stockholder has given such notice, then each stockholder may cumulate votes by multiplying the number of votes of each class of common stock the stockholder is entitled to vote by the number of directors to be elected by such class. The number of cumulative votes thus determined may be voted all for one candidate or distributed among several candidates, at the discretion of the stockholder. The candidates receiving the highest number of votes, up to the number of directors to be elected by each class of common stock, will be elected. If cumulative voting is in effect, the persons named in the accompanying proxy will vote the shares of each class of the common stock covered by proxies received by them (unless authority to vote for directors is withheld) among the named candidates as they determine.

Except as described above for the election of directors, holders of each class of common stock will vote at the Annual Meeting as a single class on all matters, with each holder of shares of Class A common stock entitled to one-tenth of one vote per share held and each holder of shares of Class B common stock entitled to one vote per share held. Proposal 2 requires the approval of the affirmative vote of a majority of the voting power of the common stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the matter.

The presence in person or by proxy of the holders of a majority of the outstanding shares of the common stock entitled to vote will constitute a quorum for the transaction of business at the Annual Meeting. All votes will be tabulated by the inspectors of election appointed for the meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. Broker non-votes occur when brokers who hold stock in "street name" return proxy cards stating that they do not have authority to vote the stock which they hold on behalf of beneficial owners. Abstentions and broker non-votes are counted as present for purposes of determining the presence or absence of a quorum for the transaction of business. Abstentions will be counted towards the tabulations of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes will not be counted for purposes of determining whether a proposal has been approved.

Proxies

Properly executed proxies will be voted in the manner directed by the stockholders. If the proxy does not specify how the shares represented thereby are to be voted, the proxy will be voted FOR the election of the directors proposed by the Board unless the authority to vote for the election of any director is withheld and, if no contrary instructions are given, the proxy will be voted FOR the approval of Proposal 2 as described in this proxy statement and the accompanying notice.

You may revoke or change your proxy at any time before the Annual Meeting by filing with the Secretary of Odetics, at the principal executive offices of Odetics at 1515 South Manchester Avenue, Anaheim, California 92802, a written notice of revocation or a new duly executed proxy bearing a date later than the date indicated on the previous proxy. You may also revoke your proxy by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not, by itself, revoke a proxy.

Solicitation

The enclosed proxy is being solicited by the Board of Directors of Odetics. Odetics will bear the entire cost of proxy solicitation, including costs of preparing, assembling, printing and mailing this proxy statement, the proxy card and any additional material furnished to the stockholders. Copies of the solicitation materials will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. In addition, Odetics may reimburse such persons for their costs in forwarding the solicitation materials to the beneficial owners. The original solicitation of proxies by mail may be supplemented by a solicitation by telephone, facsimile or any other means by directors, officers or employees of Odetics. No additional compensation will be paid to these individuals for any such services.

In the discretion of management, Odetics reserves the right to retain a professional firm of proxy solicitors to assist in solicitation of proxies. Although Odetics does not currently expect to retain such a firm, it estimates that the fees of such firm would range from $5,000 to $15,000 plus out-of-pocket expenses, all of which would be paid by Odetics.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Nominees

The Board of Directors of Odetics is currently comprised of eight members. Eight directors are to be elected at the Annual Meeting and hold office until their successors are duly elected and qualified at the next annual meeting of stockholders. Holders of Class A common stock are entitled to elect two of the eight directors to be elected at the Annual Meeting, and the holders of Class A common stock and the holders of Class B common stock, voting together as a single class, are entitled to elect the other six directors. The two candidates receiving the highest number of affirmative votes of shares of Class A common stock, present in person or represented by proxies and entitled to vote at the Annual Meeting, will be elected directors of Odetics, and the six candidates receiving the highest number of affirmative votes of shares of Class A common stock and shares of Class B common stock, voting together as a single class, present in person or represented by proxies and entitled to vote at the Annual Meeting, will be elected directors of Odetics. When voting together as a single class, the holders of Class A common stock are entitled to one-tenth of one vote per share held and the holders of Class B common stock are entitled to one vote per share held. If cumulative voting is in effect, however, the proxy holders of each class of common stock will have the right to cumulate and allocate votes among those nominees standing for election with respect to such class of common stock as such proxy holders in their discretion elect.

Messrs. Gudmundson and Muench will stand for election by the holders of Class A common stock, and Messrs. Daly, Miner, Seazholtz, Slutzky, Thomas and Wright will stand for election by the holders of Class A common stock and Class B common stock, voting together as a single class.

Information with Respect to Nominees

The following table sets forth certain information concerning the nominees for directors of Odetics as of July 26, 2002.

Nominees for Election

Name	Age	Position	Director Since
Joel Slutzky(3)	63	Chairman of the Board of Odetics and of Broadcast, Inc. Chairman of the Board of MAXxess Systems, Inc. Chairman of the Board of Iteris, Inc. Director of Meyer, Mohaddes Associates, Inc. Director of Zyfer, Inc.	1969
Kevin C. Daly, Ph.D.(2)(3)	58	Director of Odetics	1993
Crandall L. Gudmundson	71	Director of Odetics	1979
Gregory A. Miner(3)	47	Chief Executive Officer, Chief Financial Officer and Director of Odetics Chief Financial Officer and Assistant Secretary of Broadcast Director, Chief Financial Officer and Secretary of MAXxess Systems Director of Iteris Director, Chief Financial Officer and Secretary of Meyer, Mohaddes Associates Chairman of the Board of Zyfer	1998
Jerry F. Muench	67	Director and Assistant Secretary of Odetics	1969
John W. Seazholtz(1)(2)	65	Director of Odetics	1998
Thomas L. Thomas(1)(2)	53	Director of Odetics	1999
Paul E. Wright(1)(3)	71	Director of Odetics Director of Iteris	1993

(1) Member of the Audit Committee.

(2) Member of the Compensation and Stock Option Committee.

(3) Member of the Finance Committee.

Joel Slutzky has served as the Chairman of the Board of Directors since he co-founded Odetics in 1969. Mr. Slutzky served as the Chief Executive Officer of Odetics from 1975 to February 2002. From August 1993 until January 1994, Mr. Slutzky assumed the additional responsibilities of Chief Financial Officer on an interim basis following the retirement of Odetics' former Chief Financial Officer. Mr. Slutzky also served as the President of Odetics from 1969 to 1975 and served as a director of ATL Products, Inc., a former subsidiary of Odetics, from its formation in 1993 until Quantum Corporation purchased ATL in October 1998. Mr. Slutzky currently serves in various capacities for the other subsidiaries of Odetics.

Kevin C. Daly, Ph.D. has served as a director of Odetics since 1993. Since July 2002, Dr. Daly has been the Chief Executive Officer of Avamar Technologies Inc., a provider of high availability storage software solutions. Dr. Daly was previously Chief Technical Officer of Quantum Corporation's Storage

Solutions Group from October 2001 to July 2002 and, prior to that, he was Chief Executive Officer of ATL Products, Inc. from its foundation in 1993 until 2001. Dr. Daly also served as Chief Technical Officer of Odetics from 1985 until ATL's separation from Odetics in an initial public offering in 1997. Prior to Odetics, Dr. Daly was Director of the Control and Dynamics Division of the Charles Stark Draper Laboratory at MIT from 1974 through 1985. Dr. Daly is also a member of the Board of Directors of Danka Business Systems PLC.

Crandall L. Gudmundson is a co-founder of Odetics and served as its President from 1975 until his retirement in 1998. Mr. Gudmundson has served as a director of Odetics since 1979 and served as a director of ATL Products, Inc. from 1993 to 1998. Prior to co-founding Odetics, Mr. Gudmundson was the lead project engineer for Leach Corporation.

Gregory A. Miner has served as the Chief Executive Officer of Odetics since February 2002, as a director since 1998 and as a Vice President and Chief Financial Officer since January 1994, when he joined Odetics. From 1998 to 2002, Mr. Miner also served as Odetics' Chief Operating Officer. Mr. Miner served as the Vice President and Chief Financial Officer of ATL Products, Inc., a former subsidiary of Odetics, from 1994 to 1998 and currently serves in various capacities for the other subsidiaries of Odetics. From December 1984 until joining Odetics, Mr. Miner served as the Vice President and Chief Financial Officer and a member of the Board of Directors of Laser Precision Corporation, a manufacturer of telecommunications test equipment. From 1979 to 1984, Mr. Miner was employed by Deloitte Haskins and Sells (now known as Deloitte & Touche LLP) in various capacities, the most recent of which was Audit Manager.

Jerry F. Muench is a co-founder of Odetics and has served as a director since 1969. From 1969 to 2002, Mr. Muench was also Odetics' Secretary. Mr. Muench served as the Vice President, Marketing of Odetics from 1975 until his retirement in December 1997. Prior to co-founding Odetics, Mr. Muench was the manager of applications engineering at Leach Corporation.

John W. Seazholtz has served as a director of Odetics since May 1998. He also served as a director of Mariner Networks, Inc., a subsidiary of Odetics that has been discontinued, from March 2000 to September 2001. From May 1998 to April 2000, Mr. Seazholtz served as the President and Chief Executive Officer of Telesoft America, Inc. He retired in April 1998 as the Chief Technology Officer of Bell Atlantic after 36 years of service with that company and its predecessor. Mr. Seazholtz was a senior officer of Bell Atlantic since 1986, serving in various positions, including the positions of Vice President, Operations and Engineering, Vice President, Marketing, Vice President of New Services, and Vice President, Technology and Information Systems. Mr. Seazholtz currently serves as the Chairman of the Board of Westell Technologies, Inc. and is a member of the Board of Directors of Advanced Switching Communications, Inc.

Thomas L. Thomas has served as a director of Odetics since May 1999. From January 2000 to September 2001, he also served as the Chairman of the Board of Mariner Networks, Inc. Mr. Thomas is the Chairman of the Board, President and Chief Executive Officer of HAHT Commerce, a provider of software applications that enable companies to use the Internet to conduct business. A veteran Silicon Valley executive, Mr. Thomas was previously the President and Chief Executive Officer of Ajuba Solutions, a provider of B2B integration solution software, which was sold to Interwoven in October 2000. From April 1999 until January 2000, he served as the President, Chief Executive Officer and Chairman of the Board of Vantive Corporation, a leading customer relationship management software vendor which was acquired by Peoplesoft in January 2000. Prior to that, from September 1995 to April 1999, Mr. Thomas served as the Senior Vice President of e-Business and Information Services and Chief Information Officer at 3Com Corporation. From 1993 to 1995, Mr. Thomas served as a Vice President and the Chief Information Officer of Dell Computer Corporation. From 1987 to 1993, he served as the Vice President of Management Information Systems at Kraft General Foods, and at Sara

Lee Corporation from 1981 to 1987. Mr. Thomas also serves on the Board of Directors of iManage, Inc.

Paul E. Wright has served as a director of Odetics since June 1993 and as a director of Iteris since January 1999. Mr. Wright is the President of Wright Associates Engineering and Business Consultants, a company he formed in 1997. From 1988 until his retirement in 1997, Mr. Wright served as the Chairman of Chrysler Technologies Corp., the aerospace and defense electronics subsidiary of Chrysler Corporation. From 1986 to 1988, Mr. Wright served as the President and Chief Operating Officer of Fairchild Industries, Inc. Prior to joining Fairchild, he was employed for 28 years by RCA Corporation, where he last served as the Senior Vice President, responsible for planning RCA's merger into General Electric Corporation.

All directors are elected annually and hold office until the next annual meeting of stockholders and until their successors are duly elected and qualified. All of the nominees are currently directors of Odetics and have indicated that they are willing to continue to serve as directors. In the event any nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for an additional nominee who shall be designated by the current Board of Directors. As of the date of this proxy statement, the Board of Directors is not aware of any nominee who is unable or will decline to serve as director.

Board Meetings and Committees

The Board of Directors held eight meetings during the fiscal year ended March 31, 2002. Mr. Thomas attended five of the meetings of the Board of Directors. All of the other directors attended or participated in at least 75% of the aggregate number of meetings of the Board of Directors. Each director (including Mr. Thomas) attended at least 75% of the aggregate number of meetings of those committees of the Board of Directors on which such person served, which were held during such period.

Odetics has three standing committees the Audit Committee, the Compensation and Stock Option Committee and the Finance Committee. Odetics has no standing nominating committee, and the Board as a whole acts upon matters which would otherwise be the responsibility of a nominating committee.

Audit Committee. The Audit Committee supervises and reviews the audit and audit review programs and procedures of the independent auditors of Odetics, its internal accounting staff and the results of internal auditing procedures. The Audit Committee also reviews the independence, professional services, fees, plans and results of the independent auditors' engagement and recommends their retention or discharge to the Board. The members of the Audit Committee of Odetics are Messrs. Seazholtz, Thomas and Wright. The Audit Committee held one meeting during the fiscal year ended March 31, 2002.

The Board of Directors adopted and approved a written charter for the Audit Committee in June 2000. In July 2002, the Board of Directors adopted and approved an amended and restated Audit Committee charter, a copy of which is attached hereto as Appendix A. The Board has determined that all members of the Audit Committee are "independent" as that term is defined in Rule 4200 of the listing standards of the National Association of Securities Dealers.

Compensation and Stock Option Committee. The Compensation and Stock Option Committee makes recommendations to the Board concerning the compensation of all officers of Odetics and administers the stock option plans of Odetics. The members of the Compensation and Stock Option Committee of Odetics are Messrs. Daly, Seazholtz and Thomas. The Compensation and Stock Option Committee held two meetings during the fiscal year ended March 31, 2002.

Finance Committee. The Finance Committee reviews Odetics' financial planning and strategies and provides guidance to the Board and the Audit Committee regarding issues and opportunities related thereto. The Finance Committee also provides interface and advice between the Board, the capital markets and other financing sources. The Finance Committee held no meetings during the fiscal year ended March 31, 2002. The members of the Finance Committee are Messrs. Daly, Miner, Slutzky and Wright.

Compensation of Directors

Directors who are not employees of Odetics or one of its subsidiaries receive an annual fee of $12,000 per year, paid quarterly, in addition to $1,500 for each Board meeting attended in person and $250 for each telephone conference Board meeting. All directors are reimbursed for their out-of-pocket expenses incurred in attending meetings of the Board of Directors and its committees.

Non-employee directors are also eligible to receive periodic option grants pursuant to the Automatic Option Grant Program under Odetics' 1997 Stock Incentive Plan. Under this plan, each non-employee director receives an option to purchase 20,000 shares of Class A common stock upon his initial appointment to the Board of Directors and an additional option to purchase 5,000 shares of Class A common stock on the date of each annual meeting after his appointment. Each option granted to non-employee directors under the Automatic Option Grant Program will have an exercise price equal to the fair market value of the Class A common stock on the grant date and will have a maximum term of ten years, subject to earlier termination following the optionee's cessation of service as a Board member.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE NOMINEES LISTED ABOVE. PROXIES RETURNED TO ODETICS WILL BE VOTED "FOR" EACH NOMINEE UNLESS OTHERWISE INSTRUCTED IN WRITING ON SUCH PROXY.

PROPOSAL NO. 2

RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

The accounting firm of Ernst & Young LLP served as the independent auditors of Odetics for the fiscal year ended March 31, 2002. The Board of Directors has selected that firm to continue in this capacity for the fiscal year ending March 31, 2003. Odetics is asking the stockholders to ratify the selection by the Board of Directors of Ernst & Young LLP as the independent auditors of Odetics to audit the consolidated financial statements of Odetics for the fiscal year ending March 31, 2003 and to perform other appropriate services. Stockholder ratification of the selection of Ernst & Young LLP as Odetics' independent auditors is not required by the bylaws of Odetics or otherwise. In the event that the stockholders fail to ratify the appointment, the Board of Directors will reconsider its selection. Even if the selection is ratified, the Board of Directors, in its discretion, may direct the appointment of a different independent accounting firm at any time during the year if the Board of Directors feels that such a change would be in the best interests of Odetics and its stockholders.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting to respond to stockholders' questions, and that representative will be given an opportunity to make a brief presentation to the stockholders if he or she so desires.

Stockholder Approval

The affirmative vote of a majority of the voting power of the Class A common stock and Class B common stock of Odetics, voting together as a single class, present or represented and entitled to vote at the Annual Meeting, will be required for ratification of the selection of Ernst & Young LLP as the independent auditors of Odetics for the fiscal year ending March 31, 2003.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THE RATIFICATION AND APPROVAL OF THE SELECTION OF ERNST & YOUNG LLP AS THE INDEPENDENT AUDITORS OF ODETICS FOR THE FISCAL YEAR ENDING MARCH 31, 2003.

PRINCIPAL STOCKHOLDERS AND COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of July 26, 2002, the number and percentage ownership of the Class A common stock and Class B common stock of Odetics by (i) all persons known to Odetics to beneficially own more than 5% of either class of outstanding common stock (based upon reports filed by such persons with the SEC), (ii) each of the Named Executive Officers in the Summary Compensation Table which appears elsewhere herein, (iii) each director of Odetics and director nominee named under "Election of Directors," and (iv) all executive officers and directors of Odetics as a group. To the knowledge of Odetics, except as otherwise indicated, each of the persons named in this table has sole voting and investment power with respect to the common stock shown as beneficially owned, subject to community property and similar laws, where applicable.

Name and Address of Beneficial Owner(1)	Class A common stock: Amount and Nature of Beneficial Ownership(2)(3)	Class A common stock: Percent of Class(2)	Class B common stock: Amount and Nature of Beneficial Ownership(2)(3)	Class B common stock: Percent of Class(2)	Total Percent of Voting Power
Joel Slutzky	853,978(4)	7.3%	261,622(5)	25.3%	15.8%
Gerald A. Weber	382,102(6)	3.3	195,924	18.9	10.7
New York Life Trust Company	969,921(7)	8.1			4.4
Kevin C. Daly, Ph.D.	25,850(8)	*			*
Crandall L. Gudmundson	120,682(9)	1.0	69,743	6.7	3.7
Gregory A. Miner	147,047(10)	1.3			*
Jerry F. Muench	116,808(11)	1.0	61,537(12)	5.9	3.3
John W. Seazholtz	59,297(13)	*			*
Thomas L. Thomas	40,250(14)	*			*
Paul E. Wright	72,794(15)	*			*
Hugo Fruehauf	49,405(16)	*			*
John E. Johnson	63,223(17)	*			*
Steven A. L'Heureux	10,818(18)	*			*
Gary W. Smith	85,729(19)	*	296	*	*
All executive officers and directors as a group (12 persons)	1,645,881(20)	14.2%	393,198	38.0%	25.4%

* Represents less than 1%.

(1) The address for Gerald A. Weber is 222 North LaSalle, Suite 899, Chicago, Illinois 60601. The address for New York Life Trust Company is 51 Madison Avenue, Room 117A, New York, New York 10010. The address of all other persons named in the table is 1515 South Manchester Avenue, Anaheim, California 92802.

(2) Based on 11,580,914 shares of the Class A common stock and 1,035,841 shares of Class B common stock outstanding as of July 26, 2002. Shares of each class of common stock subject to options which are exercisable within 60 days of July 26, 2002 are deemed to be beneficially owned by the person holding such options for the purpose of computing the percentage of ownership of such person but are not treated as outstanding for the purpose of computing the percentage of any other person. Other than as described in the preceding sentence, shares issuable upon exercise of outstanding options are not deemed to be outstanding for purposes of this calculation.

(3) In addition to the shares held in the individual's name, this column also includes shares held for the benefit of the named person under Odetics' 401(k) and Stock Ownership Plan.

(4) Includes 141,666 shares issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days after July 26, 2002. Excludes 346,808 shares held in trust for the benefit of the children and relatives of Mr. Slutzky as to which Mr. Slutzky has no investment or voting power and disclaims any beneficial ownership. See note 6.

(5) Excludes 141,536 shares held in trust for the benefit of the children and relatives of Mr. Slutzky as to which Mr. Slutzky has no investment or voting power and disclaims any beneficial ownership. See note 6.

(6)

All of such shares are owned beneficially of record by various trusts with respect to which Mr. Weber serves as trustee or co-trustee. Mr. Weber shares investment and voting power as to 29,379 shares of Class A common stock and 56,088 shares of Class B common stock. Mr. Weber exercises sole investment and voting power over the remaining 352,808 shares of Class A common stock and 139,836 shares of Class B common stock. The shares shown include an aggregate of 346,808 shares of Class A common stock and 141,536 shares of Class B common stock held in trust for the benefit of the children and relatives of Mr. Slutzky, as to which shares Mr. Slutzky has no investment or voting power and disclaims any beneficial ownership.

(7)

Pursuant to a Schedule 13G filed on February 14, 2002 with the SEC, New York Life Trust Company reported that it had sole voting power and sole dispositive power over all 969,921 shares, in its capacity as trustee of the Odetics 401(K) and Stock Ownership Plan on behalf of numerous plan participants.

(8)

Includes 100 shares held by Dr. Daly's spouse. Also includes 9,750 shares issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

(9)

Includes 4,500 shares held by Mr. Gudmundson's IRA and 9,750 shares issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

(10)

Includes 90,000 shares issuable upon exercise of options held by Mr. Miner that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

(11)

Includes 31,114 shares held by Mr. Muench's spouse and 9,750 shares issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

(12)

Includes 23,235 shares held by Mr. Muench's spouse.

(13)

Includes 25,750 shares issuable upon exercise of options held by Mr. Seazholtz that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

(14)

Includes 21,250 shares issuable upon exercise of options held by Mr. Thomas that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

(15)

Includes 23,500 shares issuable upon exercise of options held by Mr. Wright that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

(16)

Includes 12,000 shares issuable upon exercise of options held by Mr. Fruehauf that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

(17)

Includes 12,000 shares issuable upon exercise of options held by Mr. Johnson that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

(18)

Includes 6,666 shares issuable upon exercise of options held by Mr. L'Heureux that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

(19)

Includes 38,333 shares issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

(20)
Includes 262,082 shares issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days after July 26, 2002.

EQUITY COMPENSATION PLANS

The following table summarizes the status of Odetics' equity compensation plans as of the end of fiscal 2002:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance (excluding securities reflected in column (a)
	(a)	(b)	(c)
Equity Compensation Plans that have been approved by Odetics' security holders:			
1997 Stock Incentive Plan(1)	328,655	$ 8.37	1,322,195
1994 Long-Term Equity Plan			132,863
Equity Compensation Plans that have not been approved by Odetics' security holders			
Total	328,655	$ 8.37	1,455,058

(1)
In November 2001, Odetics implemented an option exchange program pursuant to which options to purchase a total of 349,000 shares of Odetics' Class A common stock were cancelled and subsequently re-granted in May 2002.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

Executive Officers

The following table sets forth certain information regarding all executive officers of Odetics as of July 26, 2002.

Name	Age	Capacities in Which Served
Hugo Fruehauf	63	Vice President of Odetics Director, President and Chief Executive Officer of Zyfer

Name	Age	Capacities in Which Served
John E. Johnson	55	Vice President of Odetics Director, President and Chief Executive Officer of Iteris Director of Meyer, Mohaddes Associates
Steven A. L'Heureux	46	Vice President of Odetics Director and President of Broadcast
Gregory A. Miner	47	Chief Executive Officer, Chief Financial Officer and Director of Odetics Chief Financial Officer and Assistant Secretary of Broadcast Director, Chief Financial Officer and Secretary of MAXxess Systems Director of Iteris Director, Chief Financial Officer and Secretary of Meyer, Mohaddes Associates Chairman of the Board of Zyfer
Gary W. Smith	45	Vice President, Controller and Secretary of Odetics Assistant Secretary of Broadcast, Iteris, MAXxess Systems, Meyer, Mohaddes Associates and Zyfer

The following is a brief description of the capacities in which each of the executive officers has served during the past five years. The biography of Mr. Miner appears earlier in this proxy statement. See "Election of Directors."

Hugo Fruehauf has served as a Vice President of Odetics since February 1999 and has served as the President, Chief Executive Officer and a director of Zyfer, Inc. (formerly known as Odetics' Communications division) since November 1999. Mr. Fruehauf joined Odetics in October 1997 as the Chief Technology Officer of the Communications division and became the President of the Communications division in December 1997. Prior to joining Odetics, Mr. Fruehauf was the Group Vice President of Defense Systems at Alliant Techsystems, a developer of smart tactical weapons systems. From 1978 to 1995, Mr. Fruehauf served as President of Efratom Time and Frequency Products, a company specializing in telecommunications. From 1965 to 1978, Mr. Fruehauf was employed by Rockwell International in various management functions, including Chief Engineer.

John E. Johnson has served as a Vice President of Odetics since 1986 and has served as the President, Chief Executive Officer and a director of Odetics' subsidiary, Iteris, Inc., since December 1999. Prior to that, he served as the General Manager of the Odetics ITS division (now Iteris, Inc.) from 1996 to 1998, prior to its incorporation. From 1990 to 1996, Mr. Johnson served as the General Manager of the Gyyr Incorporated (now MAXxess Systems) Customer Service division. Mr. Johnson served in various other capacities with Odetics since joining Odetics in 1974, including the Vice President and General Manager of the Omutec division from 1986 to 1990, the Director of Contracts for the Space division from 1980 to 1986, the Controller of Infodetics, a former subsidiary of

Odetics, from 1975 to 1980 and the Controller of Odetics from 1974 to 1975. Prior to joining Odetics, Mr. Johnson served as a certified public accountant with Peat Marwick.

Steven A. L'Heureux has served as a Vice President of Odetics since June 2000 and as the President and a director of Odetics' subsidiary, Broadcast, Inc., since June 2000. From March 1999 to June 2000, he served as the Vice President of Sales and Marketing of Broadcast. Prior to joining Odetics, from August 1996 to February 1999, Mr. L'Heureux served as the Vice President of Sales and Marketing at Vibrint Technologies, Inc., a developer of digital video server solutions for broadcast, cable and video applications. From October 1994 to August 1996, Mr. L'Heureux was the Vice President of Sales and Business Development for Minerva Systems, Inc., a provider of MPEG video compression systems for video and DVD applications. He has also held various North American and international sales management positions with the Eastman Kodak Company.

Gary W. Smith has served as the Controller of Odetics since 1992, became a Vice President in August 1994 and the Secretary in 2002. Prior to that, Mr. Smith served as the Assistant Controller of Odetics from 1990 until 1992, Assistant Secretary from 1998 until 2002, and Senior Financial Analyst from 1986 until 1990.

Officers serve at the discretion of the Board of Directors.

Summary of Cash and Certain Other Compensation

The following table provides certain summary information concerning the compensation earned by the Chief Executive Officer and each of the four other most highly compensated executive officers of Odetics whose total cash salary and bonus during the fiscal year ended March 31, 2002 exceeded $100,000 (collectively, the "Named Executive Officers") for each of the three fiscal years ended March 31, 2000, 2001 and 2002. No other executive officers who would have otherwise been includable in such table on the basis of salary earned for the fiscal year ended March 31, 2002 has been excluded by reason of his or her termination of employment or change in executive status during that year. Other than the bonus paid to Mr. Johnson for the fiscal year ended March 31, 2002, no bonuses have

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been paid to the Named Executive Officers during the fiscal years ended March 31, 2000, 2001 and 2002.

SUMMARY COMPENSATION TABLE

				Long-Term Compensation		
		Annual Compensation		Awards		
Name and Principal Positions with Odetics	**Fiscal Year**	**Salary ($)(1)**	**Bonus ($)**	**Restricted Stock ($)**	**Securities Underlying Options (#)(2)**	**All Other Compensation ($)(3)**
Joel Slutzky(4)	2002	289,522				5,100
Chairman of the Board	2001	326,890				3,211
	2000	326,910			55,000	4,800
Gregory A. Miner	2002	217,200				4,830
Chief Executive Officer, Chief Financial	2001	214,662			30,000	3,891
Officer and Director	2000	182,066			30,000	5,122
John E. Johnson(5)	2002	185,958	21,000			4,164
Vice President	2001	185,958				2,831
	2000	159,034				3,869
Hugo Fruehauf(6)	2002	172,206				5,100
Vice President	2001	174,969				3,875
	2000	172,907				4,868
Steven A. L'Heureux	2002	189,231				4,950
Vice President	2001	183,462				3,975
	2000	172,715			10,000	3,701
Gary W. Smith	2002	115,235				2,881
Vice President, Controller and	2001	114,821				2,106
Secretary	2000	106,159			20,000	2,593

(1) Represents all amounts earned from Odetics and its subsidiaries during the fiscal years shown, including amounts deferred under the Executive Deferral Plan and the Odetics 401(k) and Stock Ownership Plan.

(2)

Consists of options granted pursuant to Odetics' 1994 Long-Term Equity Incentive Plan and 1997 Stock Incentive Plan entitling the holder to purchase shares of Class A common stock of Odetics.

(3) Consists solely of the matching contribution of Odetics to the respective accounts of the Named Executive Officers under the Odetics 401(k) and Stock Ownership Plan.

(4) Mr. Slutzky resigned as Odetics' Chief Executive Officer in February 2002 and continues to serve as the Chairman of the Board. In fiscal 2002, Mr. Slutzky was granted an option to purchase 100,000 shares of common stock of MAXxess Systems.

(5) In fiscal 2002, Mr. Johnson was granted an option to purchase 40,000 shares of common stock of Iteris.

(6) In fiscal 2001, Mr. Fruehauf was granted an option to purchase 250,000 shares of common stock of Zyfer.

Option Grants in Last Fiscal Year

No grants of stock options were made to the Named Executive Officers and no stock appreciation rights were granted to any of the Named Executive Officers during the fiscal year ended March 31, 2002.

Aggregated Option Exercises and Fiscal Year End Values

In November 2001, Odetics implemented an option exchange program pursuant to which all of the Named Executive Officers cancelled all Odetics stock options then held by them. Subsequently, on May 20, 2002, the Named Executive Officers were granted new options to purchase shares of Class A common stock to replace the options that had been tendered and cancelled under the option exchange program. See "2001 Option Exchange Program." Therefore, no unexercised options were held by any of the Named Executive Officers as of the end of the fiscal year ended March 31, 2002. In addition, no options were exercised by any of the Named Executive Officers during that fiscal year, and none of the Named Executive Officers held or exercised any stock appreciation rights during the fiscal year ended March 31, 2002.

2001 Option Exchange Program

In November 2001, Odetics implemented an option exchange program to address the substantial loss in value of the outstanding stock options held by Odetics' executive officers and the increasing inability of those options to serve as a meaningful incentive for optionees to remain employed with Odetics. Under the program, each executive officer who held outstanding stock options with an exercise price of $4.00 or more per share under the 1997 Plan or the 1994 Long-Term Equity Plan (the "1994 Plan"), was given the opportunity to exchange that option for a new option under the 1997 Plan for the same number of shares that would be granted at least six months and one day after the completion of the option exchange program.

On November 16, 2001, Odetics accepted for exchange and cancellation options to purchase an aggregate of 349,000 shares of Odetics' Class A common stock representing 100% of the options eligible to be tendered under the option exchange program. On May 20, 2002, Odetics granted new options to purchase an aggregate of 349,000 shares of Class A common stock under the 1997 Plan to replace the eligible options that had been tendered and cancelled under the program.

In general, the exercise price per share for the new options was $1.40, the last reported sales price of the Class A common stock on the grant date. In the case of Joel Slutzky, who is a holder of 10% or more of the common stock, the exercise price per share for the new options was $1.54, or 110% of the last reported trading price of the Class A common stock on the grant date.

Each new option issued in exchange for a cancelled option will continue to vest and become exercisable for the option shares in accordance with the same vesting schedule in effect for the cancelled option.

The table below provides certain information concerning our executive officers who tendered eligible options in the option exchange program and the options that were cancelled pursuant to that program. Except for the November 2001 option exchange program, Odetics has not implemented any other option repricing or option cancellation/regrant programs.

10-YEAR OPTION REPRICINGS

Name and Principal Position	Date of Cancel-lation	Number of Securities Underlying Options at time of Cancellation	Market Price of Stock at Time of Cancel-lation	Exercise Price at Time of Cancel-lation	New Exercise Price of Replace-ment Option	Length of Original Option Term Remaining at Date of Cancellation
Joel Slutzky	11/16/01	50,000	$ 1.26	$ 4.625	$ 1.54	7 years
Chairman of the Board	11/16/01	55,000	1.26	8.663	1.54	8 years
	11/16/01	55,000	1.26	11.344	1.54	8 years
Gregory A. Miner	11/16/01	25,000	1.26	4.625	1.40	7 years
Chief Executive Officer, Chief Financial	11/16/01	30,000	1.26	10.313	1.40	8 years
Officer and Director	11/16/01	25,000	1.26	7.875	1.40	8 years
	11/16/01	30,000	1.26	10.000	1.40	9 years
John E. Johnson	11/16/01	12,000	1.26	4.625	1.40	7 years
Vice President						
Hugo Fruehauf	11/16/01	12,000	1.26	4.625	1.40	7 years
Vice President						
Steven A. L'Heureux	11/16/01	10,000	1.26	10.313	1.40	8 years
Vice President						
Gary W. Smith	11/16/01	15,000	1.26	4.625	1.40	7 years
Vice President, Controller and Secretary	11/16/01	20,000	1.26	10.313	1.40	8 years
	11/16/01	10,000	1.26	7.875	1.40	8 years

Benefit Plans

Odetics maintains a 401(k) and Stock Ownership Plan (the "Stock Ownership Plan") which qualifies for favorable tax treatment under Section 401(a) of the Internal Revenue Code. The Stock Ownership Plan is the result of the merger of the Odetics, Inc. Profit Sharing and 401(k) Plan and the Odetics Associates Stock Ownership Plan.

Employees become eligible to make pre-tax contributions to the Stock Ownership Plan pursuant to Internal Revenue Code Section 401(k) as of the January 1, April 1, July 1 or October 1 coincident with or next following the date on which they are hired. Participants may contribute an amount not in excess of $11,000 for calendar year 2002. Employees become eligible to receive an allocation of employer contributions to the Stock Ownership Plan as of the January 1, April 1, July 1 or October 1 coincident with or next following the date on which they have completed six months of service with Odetics. These contributions may be made in the form of cash or Odetics stock. No contributions were made by Odetics to the Stock Ownership Plan for the fiscal years ended March 31, 2000, 2001 and 2002.

Contributions that are made to the Stock Ownership Plan are allocated to the separate accounts of participants and are held in a trust. Participant accounts are credited with investment gains and charged with investment losses. Participant contributions are always fully vested at all times, and the Odetics contributions on behalf of participants vest at the rate of $33^{1}/_{3}$ percent per year of service. Following

termination of employment, the vested portion of the participant's account balance is distributed in a lump sum payment.

Odetics also maintains an Executive Deferral Plan which allows designated executives to defer the receipt of some of their current compensation until a future year. These executives may elect to defer the receipt of up to 75% of their annual compensation, but in no event may they elect to defer less than $5,000. Benefits are generally fully vested at all times, and are payable following termination of employment in the manner elected by the executive. The Executive Deferral Plan does not qualify for favorable income tax treatment under Section 401(a) of the Internal Revenue Code.

Employment Contracts, Termination of Employment Agreements and Change of Control Arrangements

Odetics does not currently have any employment contracts in effect with any of its Named Executive Officers. Odetics provides incentives such as salary, benefits and option grants to attract and retain executive officers and other key associates. The Compensation and Stock Option Committee, as Plan Administrator of the 1997 Stock Incentive Plan, has the authority to provide for the accelerated vesting of outstanding options held by an individual, in connection with the termination of such individual's employment following an acquisition in which these options are assumed or the repurchase rights with respect to the unvested shares are assigned or upon certain hostile changes in control of Odetics. Other than such accelerated vesting and the agreements described below, there is no agreement or policy which would entitle any executive officer to severance payments or any other compensation as a result of such officer's termination.

Indemnification of Directors and Officers

Under Section 145 of the Delaware General Corporation Law, Odetics can indemnify its directors and officers against liabilities they may incur in such capacities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). The certificate of incorporation and the bylaws of Odetics provides that Odetics will indemnify its directors and officers to the fullest extent permitted by law, and the bylaws require Odetics to advance litigation expenses upon receipt by Odetics of an undertaking by the director or officer to repay such advances if it is ultimately determined that the director or officer is not entitled to indemnification. The bylaws further provide that rights conferred under such bylaws do not exclude any other right such persons may have or acquire under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Odetics' certificate of incorporation provides that, pursuant to Delaware law, its directors shall not be liable for monetary damages for breach of the directors' fiduciary duty of care to Odetics and its stockholders. This provision in the certificate of incorporation does not eliminate the duty of care, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to Odetics or its stockholders, for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, for actions leading to improper personal benefit to the director, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

Odetics has entered into agreements to indemnify its directors and certain of its officers in addition to the indemnification provided for in the certificate of incorporation and bylaws. These agreements, among other things, indemnify Odetics' directors and certain of its officers for certain expenses (including attorneys' fees), judgments, fines and settlement amounts incurred by such person in any action or proceeding, including any action by or in the right of Odetics, on account of services as

a director or officer of Odetics, or as a director or officer of any other company or enterprise to which the person provides services at the request of Odetics.

Compensation Committee Interlocks and Insider Participation

The members of the Compensation and Stock Option Committee of Odetics' Board of Directors during the fiscal year ended March 31, 2002 were Messrs. Daly, Seazholtz and Thomas. None of the these individuals was an officer or employee of Odetics or its subsidiaries at any time during the fiscal year ended March 31, 2002.

No executive officer of Odetics has served on the Board of Directors or on the compensation committee of any other entity that has, or has had, one or more executive officers serving as a member of the Board of Directors or on the Compensation and Stock Option Committee of Odetics.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

This report covers Odetics' fiscal year ended March 31, 2002. The Compensation and Stock Option Committee (the "Compensation Committee") for the fiscal year ended March 31, 2002 was comprised of three outside directors, Messrs. Daly, Seazholtz and Thomas. The Compensation Committee recommends the general compensation levels for executives. The Compensation Committee meets periodically to review and recommend for approval by the Board of Directors, the salaries, bonuses and benefit plans for officers and key associates. During the fiscal year ended March 31, 2002, the Compensation Committee held two meetings.

General Compensation Policy

The guiding principle of the Compensation Committee is to establish a compensation program that aligns executive compensation with Odetics' objectives and business strategies as well as with financial and operational performance. In keeping with this principle the Compensation Committee seeks to:

(1) Attract and retain qualified senior executives who can play a significant role in the achievement of Odetics' goals;

(2) Reward executives for strategic management and the long-term enhancement of stockholder value; and

(3) Create a performance-oriented environment that rewards performance with respect to the financial and operational goals of Odetics.

In the fiscal year ended March 31, 2002, the annual compensation for the executive officers included base salaries and stock options.

Odetics establishes salaries for the officers by considering the salaries of officers at comparably sized companies according to data obtained by the Compensation Committee from executive compensation consultants and from other independent outside sources, including the American Electronics Association annual survey of executive compensation.

A substantial portion of the compensation of executive officers is based upon the award of stock options which rely on increases in the value of Odetics' securities. The award of options is intended to encourage executives to establish a meaningful, long-term ownership interest in Odetics consistent with the interests of Odetics' stockholders. Under Odetics' stock option plans, options are granted from time to time to certain officers and key associates of Odetics and its subsidiaries at the fair market value of the shares of Class A common stock at the time of grant. Because the compensation element of options is dependent on increases over time in the market value of such shares, stock options represent compensation that is tied to Odetics' long-term performance. The award of stock options to the

executive officers of Odetics is determined based upon individual performance, level of base salary and position with Odetics.

The Compensation Committee has reviewed the base salaries for the fiscal year ended March 31, 2002 of each of the executive officers and is of the opinion that such salaries are not unreasonable in view of those paid by Odetics' competitors and by other companies of similar size. The Compensation Committee also reviewed the stock options awarded to the executive officers for their services in the fiscal year ended March 31, 2002 and is of the opinion that the option awards are reasonable in view of the officers' individual performance and positions with Odetics.

CEO Compensation

In setting the total compensation payable to Joel Slutzky, who resigned as Odetics' Chief Executive Officer in February 2002 but who continues to serve as the Chairman of the Board, and Gregory A. Miner, Odetics' Chief Executive Officer and Chief Financial Officer, for the fiscal year ended March 31, 2002, the Compensation Committee sought to make such compensation competitive with that provided by other companies with which Odetics competes for executive talent.

With respect to the base salaries of Messrs. Slutzky and Miner, it was the Compensation Committee's intent to provide each such individual with a level of stability and certainty each year. The Compensation Committee believes the base salaries of Messrs. Slutzky and Miner for the fiscal year ended March 31, 2002 is at a competitive level with the base salaries in effect for similarly situated chief executive officers. The remaining components of Mr. Slutzky's and Mr. Miner's compensation for the fiscal year ended March 31, 2002, however, were primarily dependent upon corporate performance. Based upon such performance, among other factors, no bonus was paid to either Mr. Slutzky or

Mr. Miner for the fiscal year ended March 31, 2002 and no options were granted to either person for the fiscal year ended March 31, 2002.

2001 Option Exchange Program

In light of the substantial decline in the market price of the Class A common stock that occurred as a result of the economic downturn in the technology sector, which began in the latter part of the 2000 calendar year, many of the outstanding options held by Odetics' executive officers had exercise prices significantly higher than the market price of the underlying common stock. The Compensation Committee believed that many of those options had little or no value and were unlikely to be exercised in the foreseeable future. As a result, the Compensation Committee decided that those options were no longer effective in achieving the desired objectives of retaining and incentivizing employees important to Odetics' attainment of its business and financial objectives and the creation of value for the stockholders.

Accordingly, in November 2001, the Compensation Committee authorized Odetics to implement an option exchange program which would allow each executive officer the opportunity to exchange his outstanding stock options under the 1997 Plan and the 1994 Plan with an exercise price in excess of $4.00 per share. In exchange, the executive officers would receive new options under the 1997 Plan for the same number of shares to be granted at least six months and one day after the completion of the option exchange program.

Options to purchase 349,000 shares were held by executive officers and eligible for exchange. At the conclusion of the program on November 16, 2001, Odetics accepted for exchange and cancellation options to purchase an aggregate of 349,000 shares of common stock representing 100% of the options eligible to be tendered under the option exchange program.

On May 20, 2002, Odetics granted options to purchase an aggregate of 349,000 shares of Class A common stock to executive officers who tendered eligible options in the program. In general, the

exercise price per share for those new options is $1.40, the last reported trading price of the Class A common stock on the grant date. In the case of Joel Slutzky, who is a holder of 10% or more of the common stock, the exercise price per share for the new options was $1.54, or 110% of the last reported trading price of the Class A common stock on the grant date. Six executive officers originally participated in the option exchange program, six executive officers received new options to purchase a total of 349,000 shares in cancellation of their higher-priced options for the same number of shares, and no executive officers held no eligible options.

Each option issued in exchange for a cancelled option will continue to vest and become exercisable for the option shares in accordance with the same vesting schedule in effect for the cancelled option.

The Compensation Committee believed that this program was necessary because equity incentives in the form of stock option grants form a critical component of the compensation package provided to Odetics' key employees and play a substantial role in Odetics' ability to retain the services of individuals essential to Odetics' long-term financial success. The Compensation Committee felt that Odetics' ability to retain key employees would be significantly impaired, unless value were restored to their options in the form of either replacement options or supplemental options to be granted with an exercise price equal to the fair market value of the Class A common stock at the time of grant. However, in order to assure that the option exchange program served its primary purposes of assuring the continued service of key employees and helping to create stockholder value, the Committee imposed several limitations. First, no participant would be eligible to receive a replacement option for his cancelled option unless that individual continued to be employed by Odetics until the grant date of the replacement option. To assure that the replacement option would not be treated as a variable award for financial accounting purposes, which would otherwise have a negative impact upon Odetics' earnings, no replacement option was to be granted within six months and one day after the cancellation of the option submitted for exchange. As a result, each participant in the program had to remain employed with Odetics until the end of that period in order to receive the replacement option. In addition, each replacement option will vest in accordance with the same vesting schedule as was in effect for the cancelled option it replaces. As a result, the optionee will only have the opportunity to acquire all the shares subject to the replacement option if he remains employed with Odetics through the end of that vesting period.

As a result of the deferred grant date for the replacement options and the continuation of the existing vesting schedules for those options, the Compensation Committee believed that the program struck an appropriate balance between the interests of Odetics' employees and those of its stockholders. The replacement options provide an opportunity for executive officers, who are essential to Odetics' long-term financial success, to restore value to the equity component of their compensation package. However, those individuals will enjoy the benefits of their replacement options only if they in fact remain employed with Odetics and contribute to its financial success in a manner that creates stockholder value in the form of increases to the market value of its stock.

Compliance with Internal Revenue Code Section 162(m)

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to publicly held corporations for compensation exceeding $1.0 million paid to certain of the corporation's executive officers. The limitation applies only to compensation which is not considered to be performance-based. The nonperformance based compensation to be paid to Odetics' executive officers for the fiscal year ended March 31, 2002 did not exceed the $1.0 million limit per officer, nor is it expected that the nonperformance based compensation to be paid to Odetics' executive officers for the next fiscal year will exceed that limit. Odetics' 1997 Stock Incentive Plan is structured so that any compensation deemed paid to an executive officer in connection with the exercise of option grants made under that plan will qualify as performance-based compensation which will not be subject to the $1.0 million limitation. Because it is very unlikely that the cash compensation payable to any of Odetics' executive

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officers in the foreseeable future will approach the $1.0 million limit, the Compensation Committee has decided at this time not to take any other action to limit or restructure the elements of cash compensation payable to Odetics' executive officers. The Compensation Committee will reconsider this decision should the individual compensation of any executive officer ever approach the $1.0 million level.

Submitted by the Compensation Committee
of the Board of Directors:

Kevin C. Daly, Ph.D.
John W. Seazholtz
Thomas L. Thomas

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AUDIT COMMITTEE REPORT

The following is the report of the audit committee with respect to the audited consolidated financial statements of Odetics for the fiscal year ended March 31, 2002 included in Odetics' Annual Report on Form 10-K for that year.

Review with Management

The audit committee has reviewed and discussed these audited consolidated financial statements with management of Odetics.

Review and Discussions with Independent Auditors

The audit committee has discussed with Odetics' independent auditors, Ernst & Young LLP, the matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards, AU Section 380), as amended, which includes, among other items, matters related to the conduct of the audit of the consolidated financial statements of Odetics.

The audit committee has received the written disclosures and the letter from Ernst & Young LLP required by Independence Standards Board Standard No. 1 ("Independence Discussions with Audit Committees"), as amended, and has discussed with Ernst & Young LLP the independence of Ernst & Young LLP from Odetics.

Conclusion

Based on the review and discussions referred to above in this report, the audit committee recommended to the Board of Directors of Odetics that the audited financial statements be included in Odetics' Annual Report on Form 10-K for the year ended March 31, 2002 for filing with the Securities and Exchange Commission.

Submitted by the Audit Committee
of the Board of Directors:

John W. Seazholtz
Thomas L. Thomas
Paul E. Wright

AUDIT AND OTHER FEES

Fees Billed to Odetics by Ernst & Young LLP During the Fiscal Year Ended March 31, 2002

Audit Fees. Audit fees billed to Odetics by Ernst & Young LLP during the fiscal year ended March 31, 2002 for audit of Odetics' annual consolidated financial statements and review of those consolidated financial statements included in Odetics' quarterly reports on Forms 10-Q totaled approximately $133,550.

Financial Information Systems Design and Implementation Fees. Odetics did not engage Ernst & Young LLP to provide advice or services to Odetics regarding financial information systems design and implementation during the fiscal year ended March 31, 2002.

All Other Fees. Other audit-related fees for the fiscal year ended March 31, 2002 were an additional $155,500 and included, among other things, fees for registration statements, fees related to a private placement, and audits of certain subsidiaries of Odetics. Fees billed to Odetics for non-audit-related services rendered by Ernst & Young LLP for the fiscal year ended March 31, 2002, including

fees for tax compliance and tax consulting services, were approximately $76,440. In the aggregate, all such other fees, including audit-related fees, totaled approximately $231,940.

Determination of Independence

The Audit Committee of the Board of Directors has determined that the provision by Ernst & Young LLP of the services covered under the headings "Financial Information Systems Design and Implementation Fees" and "All Other Fees" above are compatible with maintaining Ernst & Young LLP's independence.

PERFORMANCE GRAPH FOR ODETICS, INC.
INDEXED COMPARISON OF CUMULATIVE TOTAL RETURN

The performance graph shows the cumulative total return on investment assuming an investment of $100 on April 1, 1997 in each of the Class A common stock and Class B common stock of Odetics, the Nasdaq Market Index and Media General's Industry Group 836 for Diversified Electronics. The total stockholder return assumes reinvestment of dividends on a daily basis, although cash dividends have not been declared on either class of Odetics' common stock. The stockholder returns shown in the following graph are not necessarily indicative of future performance.

	Measurement Period					
	1997	1998	1999	2000	2001	2002
Odetics Class A	100.00	197.83	220.43	310.87	76.30	35.04
MG Group Index	100.00	120.97	116.54	365.37	135.01	100.43
Nasdaq Market Index	100.00	151.12	197.49	363.67	149.68	151.55
Odetics Class B	100.00	140.56	203.03	286.32	62.47	41.67

Notwithstanding anything to the contrary set forth in any of Odetics' previous or future filings under the Securities Act or the Exchange Act, as amended, that might incorporate this Proxy Statement or future filings made by Odetics under those statutes, the Compensation Committee Report, the Audit Committee Report, the Audit Committee Charter, reference to the independence of

the Audit Committee members and the Performance Graph are not deemed filed with the Securities and Exchange Commission and shall not be deemed incorporated by reference into any of those prior filings or into any future filings made by Odetics under those statutes.

Certain Transactions

In January 2001, Odetics entered into an Executive Ownership/Severance Plan with Steven A. L'Heureux, Vice President of Odetics and the President and a director of Broadcast, Inc., a subsidiary of Odetics. Under the terms of the plan, in the event that Mr. L'Heureux's employment had been terminated without cause by Odetics during the term of the plan, Mr. L'Heureux would have been entitled to receive twelve months of salary and benefits, at the same level as those provided to him at the time of execution of the plan. In addition, if Broadcast had been sold before December 31, 2001, (i) Mr. L'Heureux would have been entitled to 2.5% of the aggregate sale price and (ii) if the buyer had not offered employment to Mr. L'Heureux on terms at least substantially equal to the terms of his employment with Broadcast, Mr. L'Heureux would have been entitled to two years of salary and benefits, at the same level as those provided to him at the time of execution of the ownership/severance plan. Even if the buyer had offered employment and Mr. L'Heureux accepted such offer, if such employment had terminated without cause or if certain other events had occurred, Mr. L'Heureux would have been entitled to salary and benefits for the remainder of the two-year term, measured from the date of his initial employment with the buyer. The plan terminated on December 31, 2001.

In May 2001, Odetics entered into a Severance Benefit Plan and two Phantom Ownership Plans with Peter Strom, who is no longer employed by Odetics. At the time of these transactions, Mr. Strom was a Vice President of Odetics and the President, Chief Executive Officer and a director of MAXxess Systems, Inc., a subsidiary of Odetics. Under the Severance Benefit Plan, in the event Mr. Strom's employment had been terminated without cause by Odetics during the term of the plan, Mr. Strom would have been entitled to receive twelve months of salary and benefits, at the same level as those provided to him at the time of execution of the plan. In addition, if MAXxess Systems had been sold before October 4, 2001 and the buyer had not offered employment to Mr. Strom on terms at least substantially equal to the terms of his employment with MAXxess Systems, Mr. Strom would have been entitled to two years of salary and benefits, at the same level as those provided to him at the time of execution of the severance plan. Even if the buyer had offered employment and Mr. Strom had accepted such offer, if such employment had been terminated without cause or if certain other events had occurred, Mr. Strom would have been entitled to salary and benefits for the remainder of the two-year term, measured from the date of his initial employment with the buyer. Under the Phantom Ownership Plans, in the event that MAXxess Systems had sold its CCTV product line or its Access Control product line prior to October 4, 2001, Mr. Strom would have been entitled to 1.75% of the aggregate sale price of the CCTV product line and 0.78% of the aggregate sale price of the Access Control product line. Odetics sold substantially all of the assets and certain of the liabilities of the CCTV Products line in September 2001. The Severance Benefit Plan and the two Phantom Ownership Plans all terminated on October 4, 2001. Mr. Strom received a total of $153,512 (equal to 1.75% of the aggregate sale price of the CCTV product line) under the Phantom Ownership Plans.

In August 2001, Odetics' subsidiary, Iteris, issued 1,781,268 shares of its Series A preferred stock to an institutional investor in exchange for $5.0 million in cash. In addition, Iteris issued 1,343,645 shares of its Series A preferred stock and 547,893 shares of its common stock in exchange for $500,000 in cash and the retirement of its $3.75 million Subordinated Convertible Promissory Note, plus related accrued interest of $453,333. Concurrently, Odetics sold in a secondary transaction, $1.9 million of its shares of Iteris common stock to a group of investors, which included (i) Thomas Bartholet who is no longer employed with Odetics, but at the time of this transaction was Odetics' Vice President, Corporate Development, and who purchased a total of 228,985 shares of common stock in two separate tranches for total consideration of $610,602.75; (ii) Kevin C. Daly, a director of Odetics, who purchased

a total of 164,516 shares of common stock in two separate tranches for total consideration of $399,533.75; (iii) Crandall L. Gudmundson, one of Odetics' directors, who purchased a total of 66,667 shares of common stock for $150,000.75; (iv) John E. Johnson, Odetics' Vice President and Iteris' President and Chief Executive Officer, who purchased a total of 133,333 shares of common stock for $299,999.25; (v) Gregory A. Miner, Odetics' Chief Executive Officer, Chief Financial Officer and a director, who purchased a total of 20,594 shares of common stock for $46,336.50; (vi) Jerry F. Muench, one of Odetics' directors, who purchased a total of 44,444 shares of common stock for $99,999; and (vii) Joel Slutzky, the Chairman of the Board of Odetics (at the time of this transaction, Mr. Slutzky was also the Chief Executive Officer of Odetics), who purchased a total of 326,178 shares of common stock in two separate tranches for total consideration of $741,805.10.

In February 2002, Odetics entered into a $1.25 million line of credit with Technology Lending Partners, L.L.C., a California limited liability company that is controlled by Joel Slutzky, Odetics' Chairman of the Board of Directors. The line of credit bears interest at the prime rate plus 4% (at March 31, 2002, the interest rate was 8.75%) and matures in July 2003. At March 31, 2002, $1.25 million was outstanding under this line of credit.

Section 16(a) Beneficial Ownership Reporting Compliance

Under the federal securities laws, Odetics' directors and officers and any persons holding more than 10% of Odetics' common stock are required to report their ownership of Odetics' common stock and any changes in that ownership to the SEC. Specific due dates for these reports have been established, and Odetics is required to report in this proxy statement any failure to file by these dates. Based solely on its review of copies of the reports on Forms 3, 4 and 5 received by Odetics with respect to the fiscal year ended March 31, 2002, and the written representations received from the reporting persons that no other reports were required, Odetics believes that all directors, executive officers and persons who own more than 10% of Odetics' common stock have complied with the reporting requirements of Section 16(a) and have filed all reports required by such section.

Annual Report

A copy of Odetics' annual report on Form 10-K for the fiscal year ended March 31, 2002 accompanies the proxy materials being mailed to all stockholders. The annual report is not incorporated into this proxy statement and is not considered proxy solicitation material.

Deadline for Receipt of Stockholder Proposals

If Odetics has not received notice on or prior to June 21, 2002 of any matter a stockholder intends to propose for a vote at the 2002 annual meeting of stockholders, then a proxy solicited by the Board of Directors may be voted on such matter in the discretion of the proxy holder, without discussion of the matter in the proxy statement soliciting such proxy and without such matter as a separate item on the proxy card.

The deadline for stockholders to submit proposals to be considered for inclusion in Odetics' proxy statement for next year's annual meeting of stockholders is anticipated to be April 8, 2003. In addition, the proxy to be solicited by the Board of Directors for next year's annual meeting will confer discretionary authority to vote on any stockholder proposal presented at that meeting, unless Odetics receives notice of such proposal no later than June 22, 2003. Stockholder proposals must be mailed to the attention of the Secretary of Odetics at the principal executive offices of Odetics located at 1515 South Manchester, Anaheim, California 92802.

Other Business

The Board of Directors is not aware of any other matter which will be presented for action at the Annual Meeting other than the matters set forth in this proxy statement. If any other matter requiring a vote of the stockholders arise, it is intended that the proxy holders will vote the shares they represent as the Board of Directors may recommend. Discretionary authority with respect to such other matters is granted by the execution of the enclosed proxy card.

THE BOARD OF DIRECTORS OF
ODETICS, INC.

Anaheim, California
July 26, 2002

Appendix A

Amended and Restated Charter of the Audit Committee of the Board of Directors of Odetics, Inc.

Purpose.

The purpose of the Audit Committee (the "Committee") is to assist the Board of Directors of Odetics, Inc., a Delaware corporation (the "Company") in monitoring (1) the selection and independence of the Company's external auditors, (2) the audit, compliance and financial reporting procedures of the Company, (3) the adequacy of the Company's internal financial controls, and (4) the overall integrity of the Company's financial statements.

The Committee's function is one of oversight only and shall not relieve the responsibilities of the Company's management for preparing financial statements which accurately and fairly present the Company's financial results and condition, or the responsibilities of the independent auditors relating to the audit or review of financial statements. Nothing in this charter is intended to preclude or impair the protection provided in Section 141(e) of the Delaware General Corporation Law for good faith reliance by members of the Committee on reports or other information provided by others.

Composition of the Committee.

There shall be at least three directors serving on the Committee who meet the independence, financial literacy and related audit committee requirements of the listing standards of The Nasdaq Stock Market, Inc. At least one member of the Committee shall have accounting or related financial management expertise as described in the listing standards.

Selection and Review of Independent Auditors.

The Audit Committee shall have the ultimate authority to select, evaluate and, if appropriate, replace or rotate the independent auditors, subject to any action that may be taken by the Board and any ratification by the Company's stockholders proposed by the Board at the annual meeting of stockholders. It is the policy of the Board and the Committee that the ultimate accountability of the independent auditors shall be owed to the Board and the Committee as representatives of the Company's stockholders.

The Committee will review at least annually:

- the qualifications of the responsible partner or manager of the independent auditors who is engaged on the Company's account,
- the amount billed or to be billed for audit services and the portion of this work being performed by persons who are not full-time, permanent employees, and
- whether there are any expertise, personnel, reputation, or other matters affecting the independent auditors which are brought to the Committee's attention and which may affect the auditing firm's services to the Company.

Annual Financial Reporting.

In connection with the audit of each fiscal year's financial statements, the Committee will:

- review and discuss the audited financial statement and related accounting and auditing principles and practices with appropriate members of the Company's management;
- discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, including (1) the quality as well as acceptability of the accounting

principles applied in the financial statements, and (2) new or changed accounting policies; significant estimates, judgments, uncertainties or unusual transactions; and accounting policies relating to significant financial statement items;

- receive from the independent auditors a written disclosure and statement of all relationships between the auditors and the Company consistent with Independence Standards Board Standard No. 1;
- discuss with the auditors any disclosed relationships or services that may impact the objectivity or independence of the auditors;
- obtain from the independent auditors a statement of the audit fees and other categories of fees billed for the last fiscal year which are required to be disclosed in the Company's proxy statement for its annual meeting under the SEC's proxy rules, and consider whether the provision of any non-audit services is compatible with maintaining the auditors' independence;
- recommend whether or not the audited financial statements should be included in the Company's Annual Report on Form 10-K for filing with the SEC;
- recommend to the Board the selection of the independent auditors.

Quarterly Financial Reporting.

At a Committee meeting or through the Chair of the Committee, the Committee will review with the independent auditors and appropriate company officers the Company's interim financial results to be included on each Form 10-Q. The Committee's review will normally include:

- the results of the independent auditors' review of the quarterly financial statements,
- management's analysis of any significant accounting issues, changes, estimates, judgments or extraordinary items relating to the financial statements, and
- the selection, application and effects of critical accounting policies applied by the Company.

Internal Controls.

The Committee will review annually:

- internal control systems and procedures of the Company,
- status of management responses to prior period audit recommendations by the independent auditors,
- succession planning and staffing levels for the Company's finance and accounting employees, and
- the status and implementation of conduct codes concerning related party transactions, conflicts of interest, ethical conduct, and compliance with applicable laws and regulatory policies.

Other Committee Review Functions.

The Committee will review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board.

The Committee may discuss and review with company management, internal or outside legal counsel, or the independent auditors any other topics relating to the purpose of the Committee which may come to the Committee's attention, including:

- published reports, regulatory or accounting initiatives, or communications from employees, government agencies or others, which raise significant issues concerning company financial statements or accounting policies;
- off balance sheet, related party, or other transactions which could affect the Company's financial results or condition;
- any issues concerning the Company which the independent auditors have discussed with their national or supervisory office;
- reports concerning significant subsidiary or foreign operations; and
- pending or threatened litigation that has the potential to have a material adverse effect on the Company, regulatory issues, or alleged violations of law or corporate conduct codes.

Meetings, Reports and Resources of the Committee.

The Committee will meet at least quarterly. The Committee may also hold special meetings or act by unanimous written consent as the Committee may decide. Committee meetings will be governed by the quorum and other procedures generally applicable to meetings of the Board under the Company's bylaws, unless otherwise stated by resolution of the Board or the Committee.

The Committee, as it may determine to be appropriate, will meet in separate executive sessions with the Chief Financial Officer, controller or principal accounting officer, and representatives of the independent auditors, and may meet with other company employees, agents or representatives invited by the Committee.

The Committee will prepare the audit committee report required to be included in the Company's annual meeting proxy statement, and report to the Board on the other matters relating to the Committee or its purposes, as required by the SEC proxy rules.

The Committee is at all times authorized to have direct, independent access to the independent auditors and to the Company's management and internal audit and finance personnel. The Committee is authorized to communicate in confidence with any of these individuals.

The Committee is authorized to conduct investigations, and to retain, at the expense of the Company, independent legal, accounting, or other professional consultants selected by the Committee, for any matters relating to the purpose of the Committee. The Committee is further authorized to retain at the expense of the Company, separate accounting or finance professional advisers that the Committee may consider necessary or helpful in reviewing the Company's accounting policies and financial statements. The Committee will advise the Board in advance of engaging outside professional services and the expected fees and costs to be incurred.

PROXY

ODETICS, INC.
CLASS A COMMON STOCK
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned stockholder of Class A common stock of ODETICS, INC. hereby appoints GREGORY A. MINER and GARY W. SMITH, and each of them, proxies of the undersigned, each with full power to act without the other and with power of substitution, to represent the undersigned at the Annual Meeting of Stockholders of Odetics to be held at 1515 South Manchester Avenue, Anaheim, California 92802 on September 13, 2002 at 10:00 a.m. (Pacific Time), and at any adjournments thereof, and to vote all shares of Class A common stock of Odetics held of record by the undersigned on July 26, 2002, with all the powers the undersigned would possess if personally present, in accordance with the instructions on the reverse hereof.

The undersigned hereby revokes any other proxy to vote at such Annual Meeting of Stockholders and hereby ratifies and confirms all that said proxies, and each of them, may lawfully do by virtue hereof. The undersigned also acknowledges receipt of the Notice of Annual Meeting of Stockholders, the proxy statement and the annual report to stockholders on Form 10-K for the year ended March 31, 2002, which were furnished with this proxy.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN ACCORDANCE WITH THE INSTRUCTIONS BELOW, OR IF NO INSTRUCTIONS ARE INDICATED, THIS PROXY WILL BE VOTED FOR PROPOSALS 1 AND 2, AND IN ACCORDANCE WITH THE DISCRETION OF THE PROXY HOLDERS WITH REGARD TO ANY OTHER MATTERS PROPERLY BROUGHT TO A VOTE AT THE ANNUAL MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

CONTINUED AND TO BE SIGNED ON REVERSE SIDE
SEE REVERSE SIDE

ý Please mark votes as in this example.

1. Election of Directors

Nominees standing for election by holders of Class A common stock: Crandall L. Gudmundson and Jerry F. Muench.

o FOR o WITHHOLD AUTHORITY to vote for all nominees listed below

(Instruction: To withhold authority to vote for any individual nominee, write that nominee's name in the space provided below.)

Nominees standing for election by holders of Class A common stock and Class B common stock voting together as a single class: Kevin C. Daly, Gregory A. Miner, John W. Seazholtz, Joel Slutzky, Thomas L. Thomas and Paul E. Wright.

o FOR o WITHHOLD AUTHORITY to vote for all nominees listed below

(Instruction: To withhold authority to vote for any individual nominee, write that nominee's name in the space provided below.)

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2. Ratification of Ernst & Young LLP as the independent auditors of Odetics for the fiscal year ending March 31, 2003.

o FOR o AGAINST o ABSTAIN

MARK HERE FOR ADDRESS CHANGE AND INDICATE NEW ADDRESS o
MARK HERE IF YOU PLAN TO ATTEND THE MEETING o

Signature: ______________________ Date: ______________________

Signature: ______________________ Date: ______________________

(This Proxy must be signed exactly as your name appears hereon. Executors, administrators, trustees, etc., should give full title as such. If the stockholder is a corporation, a duly authorized officer should sign on behalf of the corporation and should indicate his or her title.)

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

PROXY

ODETICS, INC.
CLASS B COMMON STOCK
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned stockholder of Class B common stock of ODETICS, INC. hereby appoints GREGORY A. MINER and GARY W. SMITH, and each of them, proxies of the undersigned, each with full power to act without the other and with power of substitution, to represent the undersigned at the Annual Meeting of Stockholders of Odetics to be held at 1515 South Manchester Avenue, Anaheim, California 92802 on September 13, 2002 at 10:00 a.m. (Pacific Time), and at any adjournments thereof, and to vote all shares of Class B common stock of Odetics held of record by the undersigned on July 26, 2002, with all the powers the undersigned would possess if personally present, in accordance with the instructions on the reverse hereof.

The undersigned hereby revokes any other proxy to vote at such Annual Meeting of Stockholders and hereby ratifies and confirms all that said proxies, and each of them, may lawfully do by virtue hereof. The undersigned also acknowledges receipt of the Notice of Annual Meeting of Stockholders, the proxy statement and the annual report to stockholders on Form 10-K for the year ended March 31, 2002, which were furnished with this proxy.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN ACCORDANCE WITH THE INSTRUCTIONS BELOW, OR IF NO INSTRUCTIONS ARE INDICATED, THIS PROXY WILL BE VOTED FOR PROPOSALS 1 AND 2, AND IN ACCORDANCE WITH THE DISCRETION OF THE PROXY HOLDER WITH REGARD TO ANY OTHER MATTERS PROPERLY BROUGHT TO A VOTE AT THE ANNUAL MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

CONTINUED AND TO BE SIGNED ON REVERSE SIDE
SEE REVERSE SIDE

ý Please mark votes as in this example.

1. Election of Directors

Nominees standing for election by holders of Class A common stock and Class B common stock voting together as a single class: Kevin C. Daly, Gregory A. Miner, John W. Seazholtz, Joel Slutzky, Thomas L. Thomas and Paul E. Wright.

o FOR o WITHHOLD AUTHORITY to vote for all nominees listed below

(Instruction: To withhold authority to vote for any individual nominee, write that nominee's name in the space provided below.)

---

2. Ratification of Ernst & Young LLP as the independent auditors of Odetics for the fiscal year ending March 31, 2003.

o FOR o AGAINST o ABSTAIN

MARK HERE FOR ADDRESS CHANGE AND INDICATE NEW ADDRESS o
MARK HERE IF YOU PLAN TO ATTEND THE MEETING o

Signature: ______________________ Date: ______________________

Signature: ______________________ Date: ______________________

(This Proxy must be signed exactly as your name appears hereon. Executors, administrators, trustees, etc., should give full title as such. If the stockholder is a corporation, a duly authorized officer should sign on behalf of the corporation and should indicate his or her title.)

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

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