

AQUABOTIX

UUV Aquabotix Ltd., C/- Azalea Consulting
CPC SE 5, 145 Stirling Highway
Nedlands WA 6009

28 August 2020

Dear Sir/Madam,

Extraordinary General Meeting – Notice and Proxy Form

Notice is hereby given that an Extraordinary General Meeting (Meeting) of Shareholders of UUV Aquabotix Limited (ACN 616 062 072) (Company) will be held at the offices of Azalea Consulting Pty Ltd, Suite 5, Chelsea Professional Centre, 145 Stirling Highway, Nedlands, WA 6009 at 10:00am (WST) on Wednesday, 30 September 2020.

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.1) 2020, the Company will not be dispatching physical copies of the Notice of Meeting (Notice). Instead, a copy of the Notice is available at www.aquabotix.com and the ASX Company's Announcement Platform at asx.com.au (ASX:UUV).

If you have elected to receive notices by email, a copy of your personalised proxy form will be emailed to you. If you have not elected to receive notices by email, a copy of your personalised proxy form will be posted to you, together with this letter for your convenience.

The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government's and State Government's current restrictions on physical gatherings. Shareholders who are unable to attend the Meeting will be able to participate by:

- a) voting prior to the Meeting by lodging your proxy instructions by no later than 48 hours prior to the Meeting (by 10:00am (WST) on 28 September 2020) either by voting online at www.linkmarketservices.com.au, or lodging a proxy form by:
 - post to: UUV Aquabotix Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, or
 - in person to: Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138, or
 - by email to: winton@azc.com.au .
- b) lodging questions in advance of the Meeting by emailing the questions to Winton Willesee, Joint Company Secretary at winton@azc.com.au, by no later than 24 September 2020; and/or
- c) attending the Meeting by video/teleconference facilities. Should you wish to attend the Meeting by video/teleconference facility, please contact Winton Willesee, Joint Company Secretary, at winton@azc.com.au.

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at www.aquabotix.com.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice, please contact Winton Willesee, the Joint Company Secretary at winton@azc.com.au .

This announcement is authorised for market release by Winton Willesee, Joint Company Secretary.

Sincerely,



Winton Willesee
Joint Company Secretary

UUV AQUABOTIX LIMITED

ACN 616 062 072

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am (WST)

DATE: 30 September 2020

PLACE: Offices of Azalea Consulting Pty Ltd
Suite 5 CPC
145 Stirling Highway
NEDLANDS WA 6009

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 28 September 2020.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE UNDERWRITER OPTIONS TO UNDERWRITER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 301,666,666 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Canaccord Genuity (Australia) Limited (or its nominees) or an associate of that person (or those persons).

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

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

2. RESOLUTION 2 – APPROVAL TO ISSUE PLACED SHORTFALL OPTIONS TO UNDERWRITER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 194,607,517 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Canaccord Genuity (Australia) Limited (or its nominees) or an associate of that person (or those persons).

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – ISSUE OF UNDERWRITER OPTIONS TO RELATED PARTY – ROBERT CLISDELL

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

“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Options to Robert Clisdell (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Robert Clisdell (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 3 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 3 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. RESOLUTION 4 – ISSUE OF UNDERWRITER OPTIONS TO RELATED PARTY – PETER JAMES

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

“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 21,666,667 Options to Peter James (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Peter James (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 4 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 25 August 2020

By order of the Board



Winton Willesee
Joint Company Secretary

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9389 3100.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO RESOLUTIONS – ENTITLEMENT ISSUE

As announced on 24 June 2020, the Company undertook a partially underwritten renounceable entitlement issue of two (2) Shares for every one (1) Share held by Shareholders at an issue price of \$0.001 per Share to raise up to \$1,583,823 together with one (1) free attaching option (exercisable at \$0.001 per option on or before 28 July 2023) (**New Option**) for every three (3) Shares subscribed for and issued (**Rights Issue**). The Company lodged a prospectus for the Rights Issue on 24 June 2020 (**Prospectus**).

The Rights Issue was partially underwritten (to a maximum amount of \$1,000,000) and lead managed by Canaccord Genuity (Australia) Limited (AFSL 234666) (**Underwriter** or **Canaccord**). Pursuant to the underwriting agreement between Canaccord and the Company (**Underwriting Agreement**), the Company agreed to issue 333,333,333 New Options to the Underwriter (or its nominees) as an underwriting fee (**Underwriter Options**).

As disclosed in the Prospectus, Canaccord entered into sub-underwriting arrangements with a number of parties who committed to sub-underwrite the Rights Issue. Entities controlled by Robert Clisdell and Peter James, each Directors of the Company, agreed to sub-underwrite the Rights Issue up to amounts of \$30,000 (30,000,000 Shares) and \$65,000 (65,000,000 Shares) respectively. Pursuant to the terms of the sub-underwriting, the Underwriter agreed to pay Messrs Clisdell and James a sub-underwriting fee of 3% (excluding GST) of the amount of the Rights Issue they respectively sub-underwrote and, subject to Shareholder approval, that each of Messrs Clisdell and James would be issued 1 Underwriter Option for every 3 Shares which they respectively sub-underwrote the subscription of.

The Underwriting Agreement also provides that, in respect of the portion of the Rights Issue which was not underwritten (approximately \$583,823), the Underwriter (or its nominees) would be issued 1 New Option for every 3 Shares which were not subscribed for by eligible Shareholders and which are subsequently placed to third parties by the Underwriter (being a maximum potential number of an additional 194,607,517 New Options) as a management fee (**Placed Shortfall Options**).

Accordingly, the Company is seeking Shareholder approval to issue:

(a) **Resolution 1**

301,666,666 Underwriter Options to Canaccord (or its nominees).

(b) **Resolution 2**

Up to 194,607,517 Placed Shortfall Options to Canaccord (or its nominees).

(c) **Resolution 3**

10,000,000 Underwriter Options to an entity controlled by Robert Clisdell (a related party of the Company by virtue of being a Director) or its nominee.

(d) **Resolution 4**

21,666,667 Underwriter Options to an entity controlled by Peter James (a related party of the Company by virtue of being a Director) or its nominee.

The New Options are to be issued on the terms and conditions set out in Schedule 1.

2. RESOLUTION 1 – APPROVAL TO ISSUE UNDERWRITER OPTIONS TO UNDERWRITER

2.1 General

As set out in Section 1 above, the Company has agreed to issue 333,333,333 New Options to Canaccord (or its nominees) in consideration for partially underwriting the Rights Issue (**Underwriter Options**). Pursuant to the terms of sub-underwriting arrangements, the Underwriter agreed that, subject to Shareholder approval, entities controlled by Robert Clisdell and Peter James (each Directors) would be issued 10,000,000 Underwriter Options and 21,666,667 Underwriter Options respectively. Shareholder approval for the issue of the Underwriter Options to Messrs Clisdell and James is sought under Resolutions 3 and 4.

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

The proposed issue of the Underwriter Options does not fit within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

2.2 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Underwriter Options. In addition, the issue of the Underwriter Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of all of the Underwriter Options and the Company will be required to pay the Underwriter a cash equivalent fee equal to the aggregate value of the number of Underwriter Options which is in excess of the Company's available placement capacity under Listing Rule 7.1 (based on a Black & Scholes valuation).

Resolution 1 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 301,666,666 Underwriter Options to the Underwriter (or its nominees).

2.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) 301,666,666 Underwriter Options will be issued to Canaccord (or its nominees), who is not a related party of the Company;
- (b) the maximum number of Underwriter Options to be issued is 301,666,666. The terms and conditions of the Underwriter Options are set out in Schedule 1;
- (c) the Underwriter Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Underwriter Options will occur on the same date;
- (d) the Underwriter Options will be issued at a nil issue price, as a fee for the Underwriter partially underwriting the Rights Issue;
- (e) the purpose of the issue of the Underwriter Options is to satisfy the Company's obligations under the Underwriting Agreement;
- (f) the Underwriter Options are being issued to Canaccord (or its nominees) under the Underwriting Agreement. A summary of the material terms of the Underwriting Agreement is set out in Schedule 2;
- (g) the Underwriter Options are not being issued under, or to fund, a reverse takeover; and
- (h) a voting exclusion statement is included in Resolution 1 of the Notice.

3. RESOLUTION 2 – APPROVAL TO ISSUE PLACED SHORTFALL OPTIONS TO UNDERWRITER

3.1 General

As set out in Section 1 above, in respect of the portion of the Rights Issue which was not underwritten (approximately \$583,823), the Company has agreed to issue the Underwriter (or its nominees) 1 New Option for every 3 Shares which were not subscribed for by eligible Shareholders under the Rights Issue and which are subsequently placed to third parties by the Underwriter as a management fee (being a maximum potential number of an additional 194,607,517 New Options) (**Placed Shortfall Options**).

As summarised in Section 2.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period, subject to a number of exceptions.

The proposed issue of the Placed Shortfall Options does not fit within any of these exceptions. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

3.2 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Placed Shortfall Options. In addition, the issue of the Placed Shortfall Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the issue of the Placed Shortfall Options can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placed Shortfall Options to the Underwriter (or its nominees).

3.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the Placed Shortfall Options will be issued to Canaccord (or its nominees), who is not a related party of the Company;
- (b) the maximum number of Placed Shortfall Options to be issued is 194,607,517. The terms and conditions of the Placed Shortfall Options are set out in Schedule 1;
- (c) the Placed Shortfall Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placed Shortfall Options will occur on the same date;
- (d) the Placed Shortfall Options will be issued at a nil issue price, as a fee for the Underwriter placing Shares to third parties which were not subscribed for by eligible Shareholders under the portion of the Rights Issue which was not underwritten;
- (e) the purpose of the issue of the Placed Shortfall Options is to satisfy the Company's obligations under the Underwriting Agreement;
- (f) the Placed Shortfall Options are being issued to Canaccord (or its nominees) under the Underwriting Agreement. A summary of the material terms of the Underwriting Agreement is set out in Schedule 2;
- (g) the Placed Shortfall Options are not being issued under, or to fund, a reverse takeover; and
- (h) a voting exclusion statement is included in Resolution 2 of the Notice.

4. RESOLUTIONS 3 AND 4 – ISSUE OF UNDERWRITER OPTIONS TO RELATED PARTIES – ROBERT CLISDELL AND PETER JAMES

4.1 General

As set out in Section 1 above, Canaccord entered into sub-underwriting arrangements with entities controlled by Robert Clisdell and Peter James, each Directors of the Company, pursuant to which Messrs Clisdell and James agreed to sub-underwrite the Rights Issue up to amounts of \$30,000 (30,000,000 Shares)

and \$65,000 (65,000,000 Shares) respectively. Pursuant to the terms of the sub-underwriting, the Underwriter agreed to pay Messrs Clisdell and James a sub-underwriting fee of 3% (excluding GST) of the amount of the Rights Issue they respectively sub-underwrote and, subject to Shareholder approval, that each of Messrs Clisdell and James would be issued 1 Underwriter Option for every 3 Shares which they respectively sub-underwrote the subscription of.

The Company has therefore agreed, subject to obtaining Shareholder approval and pursuant to the Underwriting Agreement, to issue up to an aggregate of 31,666,667 Underwriter Options to Messrs Clisdell and James (or their respective nominees) (**Related Parties**) (**Related Party Underwriter Options**) on the terms and conditions set out below.

Resolutions 3 and 4 seek Shareholder approval for the issue of the Related Party Underwriter Options to the Related Parties.

4.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Related Party Underwriter Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Related Party Underwriter Options are proposed to be issued to all of the Directors other than Jay Cohen, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Related Party Underwriter Options. Accordingly, Shareholder approval for the issue of the Related Party Underwriter Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

4.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3;
or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Party Underwriter Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 3 and 4 seek the required Shareholder approval for the issue of the Related Party Underwriter Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

4.4 Technical information required by Listing Rule 14.1A

If Resolutions 3 and 4 are passed, the Company will be able to proceed with the issue of the Related Party Underwriter Options to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Underwriter Options (because approval is being obtained under Listing Rule 10.11), the issue of the Related Party Underwriter Options will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 3 and 4 are not passed, the Company will not be able to proceed with the issue of the Related Party Underwriter Options and the Company and the Company will be required to pay the Underwriter a cash equivalent fee equal to the aggregate value of the Related Party Underwriter Options (based on a Black & Scholes valuation).

4.5 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 3 and 4:

- (a) the Related Party Underwriter Options will be issued to the following persons:
- (i) Robert Clisdell (or his nominee) pursuant to Resolution 3; and
 - (ii) Peter James (or his nominee) pursuant to Resolution 4,
- each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director.
- (b) the maximum number of Related Party Underwriter Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 31,666,667 comprising:
- (i) 10,000,000 Related Party Underwriter Options to Robert Clisdell (or his nominee) pursuant to Resolution 3; and

- (ii) 21,666,667 Related Party Underwriter Options to Peter James (or his nominee) pursuant to Resolution 4.
- (c) the terms and conditions of the Related Party Underwriter Options are set out in Schedule 1;
- (d) the Related Party Underwriter Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Related Party Underwriter Options will occur on the same date;
- (e) the Related Party Underwriter Options will be issued at a nil issue price as consideration for the Related Parties sub-underwriting a portion of the Rights Issue;
- (f) the purpose of the issue of the Related Party Underwriter Options is to satisfy the Company's obligations under the Underwriting Agreement;
- (g) the Company has applied for quotation of the Related Party Underwriter Options;
- (h) the number of Related Party Underwriter Options to be issued to each of the Related Parties has been determined using the same ratio as that used to determine the number of Underwriter Options to be issued to the Underwriter (i.e. 1 Underwriter Option for every 3 Shares the subscription of which is underwritten);
- (i) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

| Related Party | Current Financial Year | Previous Financial Year |
|-----------------|------------------------|-------------------------|
| Robert Clisdell | \$50,000 | \$75,805 ¹ |
| Peter James | \$100,000 | \$136,865 ² |

Notes:

1. Consists of \$20,834 in salary and fees and \$29,166 in equity-settled shares and \$25,805 in equity-settled options.
 2. Consists of \$41,977 in salary and fees, \$58,333 in equity-settled Shares and \$36,865 in equity-settled options
- (j) the value of the Related Party Underwriter Options and the pricing methodology is set out in Schedule 3;
 - (k) the Related Party Underwriter Options are being issued to the Related Parties under the Underwriting Agreement. A summary of the material terms of the Underwriting Agreement is set out in Schedule 2;

- (l) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

| Related Party | Shares | Options |
|------------------------------|-------------------------|-------------------------|
| Robert Clisdell ¹ | 39,201,430 ² | 23,357,934 ³ |
| Peter James ⁴ | 88,171,893 ⁵ | 43,379,967 ⁶ |

Notes:

1. Mr Clisdell also agreed to sub-underwrite the Rights Issue up to an amount of \$30,000 (30,000,000 Shares).
2. Mr Clisdell's relevant interest in securities comprises a direct interest in 360,000 Shares and 80,000 Options and an indirect interest in 38,841,430 Shares and 23,277,934 Options held by Rondy Investments Pty Ltd <the Clisdell Family Trust A/C>.
3. 1,000,000 unquoted Options exercisable at \$0.11 each on or before 30 May 2021, 7,000,000 unquoted Options exercisable at \$0.005 each on or before 24 December 2023, 7,000,000 unquoted Options exercisable at \$0.010 each on or before 24 December 2023, 8,357,934 quoted Options exercisable at \$0.001 each on or before 28 July 2023.
4. Mr James also agreed to sub-underwrite the Rights Issue up to an amount of \$65,000 (65,000,000 Shares).
5. Mr James' relevant interest in securities comprises a direct interest in 32,676,281 Shares and 26,000,000 Options and an indirect interest in 23,355,712 Shares and 6,666,667 Options held by Bond Street Custodians Limited ATF Christie James Super Fund and in 32,139,900 Shares and 10,713,300 Options held by Christie James Funds Management Pty Ltd ATF Christie James Fund A/C.
6. 6,000,000 unquoted Options exercisable at \$0.30 each on or before 19 April 2021, 10,000,000 unquoted Options exercisable at \$0.005 each on or before 24 December 2023, 10,000,000 unquoted Options exercisable at \$0.010 each on or before 24 December 2023 and 17,379,967 quoted Options exercisable at \$0.001 each on or before 28 July 2023.

- (m) if the Related Party Underwriter Options issued to the Related Parties are exercised, a total of 31,666,667 Shares would be issued. This will increase the number of Shares on issue from 1,791,911,272 (being the total number of Shares on issue at the date of this Notice) to 1,823,577,939 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.74%, comprising 0.55% by Rob Clisdell and 1.19% by Peter James.

The market price for Shares during the term of the Related Party Underwriter Options would normally determine whether or not the Related Party Underwriter Options are exercised. If, at any time any of the Related Party Underwriter Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Underwriter Options, there may be a perceived cost to the Company.

- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

| | Price | Date |
|---------|---------|---------------------------|
| Highest | \$0.009 | 05 September 2019 |
| Lowest | \$0.001 | 31 July to 17 August 2020 |
| Last | \$0.001 | 24 August 2020 |

- (o) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 3 and 4; and
- (p) a voting exclusion statement is included in Resolutions 3 and 4 of the Notice.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means UUV Aquabotix Limited (ACN 616 062 072).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

New Option means an Option issued on the terms set out in Schedule 1.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placed Shortfall Options has the meaning given in Section 1 of the Explanatory Statement.

Prospectus has the meaning given in Section 1 of the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

Related Party has the meaning given in Section 4.1 of the Explanatory Statement.

Related Party Underwriter Option has the meaning given in Section 4.1 of the Explanatory Statement.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Rights Issue has the meaning given in Section 1 of the Explanatory Statement.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Underwriter or **Canaccord** has the meaning given in Section 1 of the Explanatory Statement.

Underwriting Agreement means the underwriting agreement between Canaccord and the Company summarised in Schedule 2.

Underwriter Option has the meaning given in Section 1 of the Explanatory Statement.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF NEW OPTIONS (UNDERWRITER OPTIONS, PLACED SHORTFALL OPTIONS AND RELATED PARTY UNDERWRITER OPTIONS)

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i) below, the amount payable upon exercise of each Option will be \$0.001 per Option (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 28 July 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (g)(ii) above for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws

SCHEDULE 2 – TERMS AND CONDITIONS OF THE UNDERWRITING AGREEMENT

The Company is party to an agreement with Canaccord Genuity (Australia) Limited (ACN 075 071 466) (**Underwriter** or **Canaccord**), pursuant to which Canaccord agreed to partially underwrite and lead manage the Rights Issue (**Underwriting Agreement**).

(a) **Fees**

The Company has agreed to pay Canaccord a management fee of 2% of the total gross amount raised under the Rights Issue plus an underwriting fee of 4% of the total gross amount raised under the Rights Issue in addition to a corporate advisory fee of \$40,000.

The Company has also agreed, subject to Shareholder approval, to issue the Underwriter (or its nominees):

- (i) 333,333,333 New Options in consideration for underwriting the Rights Issue; and
- (ii) in respect of the portion of the amount to be raised under the Rights Issue which is not underwritten (approximately \$583,823), 1 New Option for every 3 Shares which were not subscribed for by eligible Shareholders and which are subsequently placed to third parties by the Underwriter (being a maximum potential number of an additional 194,607,517 New Options) as a management fee.

In the event Shareholder approval is not obtained for the issue of the Underwriter Options or Placed Shortfall Options, the Company will be required to pay the Underwriter a cash equivalent fee equal to the aggregate value of the number of Underwriter Options or Placed Shortfall Options (as the case may be) the issue of which is not approved by Shareholders (based on a Black & Scholes valuation).

(b) **Termination**

The obligation of Canaccord to underwrite the Rights Issue is subject to certain standard events of termination.

(c) **General**

The Underwriting Agreement contains indemnities, representations and warranties and undertakings by the Company to Canaccord and other terms and conditions considered standard for an agreement of this nature.

SCHEDULE 3 – VALUATION OF RELATED PARTY UNDERWRITER OPTIONS

The Related Party Underwriter Options to be issued to the Related Parties pursuant to Resolutions 3 and 4 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Underwriter Options were ascribed the following value:

| Assumptions: | |
|--|----------------|
| Valuation date | 12 August 2020 |
| Market price of Shares | \$0.001 |
| Exercise price | \$0.001 |
| Expiry date (length of time from issue) | 1,081 days |
| Risk free interest rate | 0.41% |
| Volatility (discount) | 100% |
| | |
| Indicative value per Related Party Option | \$0.0006 |
| | |
| Total Value of Related Party Options | \$19,000 |
| Robert Clisdell (Resolution 3) | \$6,000 |
| Peter James (Resolution 4) | \$13,000 |

Note: The valuation noted above is not necessarily the market price that the Related Party Underwriter Options could be traded at and is not automatically the market price for taxation purposes.



ONLINE

www.linkmarketservices.com.au



BY MAIL

UUV Aquabotix Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474

PROXY FORM

I/We being a member(s) of UUV Aquabotix Ltd and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10.00am (WST) on Wednesday, 30 September 2020 at Offices of Azalea Consulting Pty Ltd, Suite 5 CPC, 145 Stirling Highway, NEDLANDS WA 6009 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 3 & 4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3 & 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

| | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|
| 1 Approval to Issue Underwriter Options to Underwriter | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Approval to Issue Placed Shortfall Options to Underwriter | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Issue of Underwriter Options to Related Party – Robert Clisdell | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Issue of Underwriter Options to Related Party – Peter James | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10.00am (WST) on Monday, 28 September 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

UUV Aquabotix Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**