



BOD AUSTRALIA LIMITED

ABN 89 601 225 441

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Monday 28 November 2022

Time of Meeting

4.00 pm (AEDT)

Place of Meeting

Shareholders may attend the Annual General Meeting in person at the Company's head office situated at **Level 1, 377 New South Head Road Double Bay NSW 2028** (subject to any COVID-19 related restrictions that may be in force at the time of the meeting).

Shareholders are strongly encouraged to lodge their proxy form in accordance with the instructions within this Notice of Meeting even if they intend to attend the meeting.

This Notice of Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser 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 (AEDT) on Saturday, 26 November 2022.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting (**Meeting**) of the Shareholders of Bod Australia Limited ABN 89 601 225 441 (**Company**) will be held on Monday 28 November 2022, commencing at 4.00 pm (Australian Eastern Daylight Savings time).

An online version of the Company's 2022 Annual Report can be downloaded or viewed at www.bodscience.com.au. The 2022 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

This Notice of Meeting incorporates, and should be read together with, the Explanatory Memorandum and Proxy Form. Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Meeting and the Explanatory Memorandum.

ORDINARY BUSINESS

Receipt of financial statements and reports

To receive and consider the Directors' report, the Auditor's report, and the financial statements of the Company for the financial year ended 30 June 2022.

Resolutions

1. Adoption of Remuneration Report (non-binding resolution)

To consider and if thought fit, pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report for the financial year ended 30 June 2022 as set out in the Company's 2022 Annual Report"

Note: Under the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

2. Re-election of Director, Mr Akash Bedi

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

"That, for the purpose of clause 51.1(c) of the Constitution and for all other purposes, Mr Akash Bedi, a Director, retires by rotation, and being eligible, is re-elected as a Director."

3. Re-election of Director, Mr David Baker

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

"That, for the purpose of clause 51.1(a) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr David Baker, a Director who was appointed casually on 4 April 2022, retires, and being eligible, is re-elected as a Director."

4. Ratification of prior issue of Placement Shares under Listing Rule 7.1

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,292,608 Placement Shares to the Placement Participants on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

5. Ratification of prior issue of Placement Shares under Listing Rule 7.1A

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,582,392 Placement Shares to the Placement Participants on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

6. Ratification of prior issue of Consultant Shares under listing Rule 7.1

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,125,000 Consultant Shares to S3 Consortium Pty Ltd (or their nominees) on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

7. Ratification of prior issue of Broker options under listing Rule 7.1

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 Broker Options to Taylor Collison Limited (or their nominees) on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

8. Approval to issue Shares to Director – Mr David Baker

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,250,000 Shares to Mr David Baker or his nominee in accordance with the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

9. Approval to issue Shares to Director – Ms Joanne Patterson

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 625,000 Shares to Ms Joanne Patterson or her nominee in accordance with the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

10. Approval to issue Consideration Shares pursuant to the acquisition of Aqua Phase

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 70,000,000 Consideration Shares (in aggregate) to Dr Peter Josef Stabler and Mr Gregory Alan Stoloff (or their nominees) on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

11. Issue of Long-Term Incentive Rights to Joanne Patterson

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,044,409 Long Term Incentive Rights to Joanne Patterson (or her nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

12. Approval to issue Options to Director – Mr David Baker

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 750,000 Options to Mr David Baker (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

13. Approval to issue Options to Director – Mr George Livery

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 500,000 Options to Mr George Livery (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

14. Approval to issue Options to Director – Mr Akash Bedi

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 500,000 Options to Mr Akash Bedi (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

15. Approval to issue Options to Director – Mr Johannes Cappon

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 500,000 Options to Mr Johannes Cappon (or his nominee) in accordance with the terms and conditions set out in the Explanatory Memorandum.”

A voting exclusion statement applies to this Resolution. Please see below.

SPECIAL BUSINESS

16. Approval to change the Company’s name to Bod Science Limited

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

“That, for the purposes of section 157(1) of the Corporations Act and for all other purposes, the name of the Company be change to “Bod Science Limited”, effective from the date ASIC alters the details of the Company’s registration.”

17. Approval of additional 10% placement capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special Resolution:

“That the Company have the additional capacity to issue equity securities provided for in ASX Listing Rule 7.1A.”

A voting exclusion statement applies to this Resolution. Please see below.

Voting Prohibition and Exclusion Statements

Corporations Act

Resolution	Voting Prohibition
Resolution 1 – Adoption of Remuneration Report (non-binding resolution)	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected

Resolution	Voting Prohibition
	directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolutions 11, 12, 13, 14 and 15	The Company will disregard any votes cast on these Resolutions in contravention of section 250BD of the Corporations Act.

ASX Listing Rules

Resolution	Voting Exclusion
Resolution 4 - Ratification of prior issue of Placement Shares under Listing Rule 7.1	Any person who participated in the Placement, or an associate of that person or those persons.
Resolution 5 - Ratification of prior issue of Placement Shares under Listing Rule 7.1A	Any person who participated in the Placement, or an associate of that person or those persons.
Resolution 6 – Ratification of prior issue of Consultant Shares under Listing Rule 7.1	S3 Consortium Pty Ltd (and its nominees) and any associate of S3 Consortium Pty Ltd.
Resolution 7 – Ratification of prior issue of Broker Options under Listing Rule 7.1	Taylor Collison Limited (and its nominees) and any associate of Taylor Collison Limited.
Resolution 8 - Approval to issue Shares to Director – Mr David Baker	Mr David Baker (and his nominees) , 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 entity) and any of their associates.
Resolution 9 - Approval to issue Shares to Director – Ms Joanne Patterson	Ms Joanne Patterson (and her nominees) , 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 entity) and any of their associates.
Resolution 10 - Approval to issue Shares to the vendors pursuant to the acquisition of Aqua Phase	Dr Peter Josef Stabler and Mr Gregory Alan Stoloff (and their nominees) ,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 entity) and any of their associates.
Resolution 11 - Issue of Long-Term Incentive Rights to Joanne Patterson	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr David Baker, Mr George Livery, Mr Akash Bedi, Mr Johannes Cappon and Ms Joanne Patterson) and any of their associates.

Resolution	Voting Exclusion
Resolution 12 – Approval to issue Options to Director – Mr David Baker	Mr David Baker (and his nominees) , 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 entity) and any of their associates.
Resolution 13 – Approval to issue Options to Director – Mr George Livery	Mr George Livery (and his nominees) , 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 entity) and any of their associates.
Resolution 14- Approval to issue Options to Director – Mr Akash Bedi	Mr Akash Bedi (and his nominees) , any of his associates 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 entity) and any of their associates.
Resolution 15 - Approval to issue Options to Director – Mr Johannes Cappon	Mr Johannes Cappon (and his nominees),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 entity) and any of their associates.
Resolution 17 - Approval of additional 10% placement capacity	If at the time the approval is sought the entity is proposing to make an issue of equity securities under rule 7.1A.2, any 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 entity).

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

ATTENDANCE AND VOTING AT THE MEETING

Voting entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that Shareholders who are on the Company's share register at 5.00pm (AEDT) on Saturday 26 November 2022, shall, for the purposes of the Meeting, be entitled to attend and vote at the Meeting.

If you are not the registered holder of a relevant Share at that time, you will not be entitled to vote at the Meeting.

Voting in Person

To vote in person, attend the Meeting at the time, date and place set out above.

You may still attend the meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting, but your identity will need to be verified. You can register from 3.00pm (AEDT) on the day of the Meeting.

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. Resolutions 1 to 15 are Ordinary Resolutions and Resolutions 16 and 17 are Special Resolutions.

The passing of each Resolution arising at this meeting will be decided by a poll. Upon a poll, every person who attends online, in person or by proxy, corporate representative, or attorney, will have one vote for each Share held by that person.

Shareholders are strongly urged to vote by proxy prior to the meeting and to appoint the Chair of the Meeting as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how their vote is to be exercised on each Resolution. The Chair of the meeting MUST follow the Shareholder's instructions. Instructions for voting by proxy are set out below.

Voting by proxy

A Shareholder who is entitled to attend and vote at this Meeting may appoint a proxy to attend and vote on the Shareholder's behalf. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

A Proxy Form accompanies this Notice. To be valid, the Proxy Form must be received no later than 4.00pm (AEDT) on Saturday, 26 November 2022, being no less than 48 hours prior to the commencement of the Meeting.

To record a valid proxy vote, a Shareholder will need to complete and lodge the Proxy Form at the share registry of the Company, Link Market Services Limited in accordance with the instructions set out in the proxy form.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each of the Resolutions by marking either **For**, **Against** or **Abstain** on the voting form for each item of business. As explained further below, your vote on Resolution 1 and Resolutions 11 to 15 may not be counted if you do not direct your proxy how to vote.

Pursuant to section 250BB of the Corporations Act, an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the Resolution, the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the Resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Under section 250BC of the Corporations Act, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a meeting of a company's members;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the Resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting; or
 - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the meeting.

Undirected proxies

Please note that if the Chair of the Meeting is appointed as your proxy (or becomes your proxy by default), you expressly authorise the Chair to exercise your proxy on the Resolutions even though they may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company, which includes the Chair. If you appoint the Chair as your proxy you can direct the Chair to vote for or against or abstain from voting on any of Resolutions by marking the appropriate box on the Proxy Form.

The Chair intends to vote undirected proxies in favour of each item of business.

Please also note that if you appoint a Director or a member of the Key Management Personnel (or their Closely Related Parties) as your proxy, in accordance with section 250R(5) of the Corporations Act you must direct your proxy how to vote on Resolution 1 and Resolutions 11 to 15 otherwise your vote will not be counted. Follow the instructions on the proxy form to direct your proxy how to vote.

Voting by corporate representative

A Shareholder or proxy that is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative.

Evidence of the appointment of a corporate representative must be in accordance with section 250D of the Corporations Act and be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting.

Voting by attorney

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf.

An attorney need not be a holder of Shares.

An instrument conferring the power of attorney, or a certified copy of the authority must be produced to the Company at least 48 hours prior to the commencement of the Meeting.

DATED 27 October 2022

**BY ORDER OF THE BOARD
BOD AUSTRALIA LIMITED**

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

**STEPHEN KELLY
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Shareholders of Bod Australia Limited to be held on Monday, 28 November 2022 at 4.00pm (AEDT). This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider the Resolutions.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Words or expressions used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

This Explanatory Memorandum is dated 27 October 2022.

BACKGROUND TO THE RESOLUTIONS

ORDINARY BUSINESS

Receipt of financial statements and reports

This item does not require voting by Shareholders. It is intended to provide an opportunity for Shareholders to raise questions on the financial statements and reports. The Company's auditor will be present at the Meeting and available to answer any questions.

In addition to asking questions at the Meeting, Shareholders may address written questions to the Chair of the Meeting about the management of the Company or to the Company's Auditor, Nexia Sydney Audit Pty Ltd, if the question is relevant to:

1. the content of the Auditor's report; or
2. the conduct of its audit of the financial statements to be considered at the Meeting.

Note: Under section 250PA(1) of the Corporations Act a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

Written questions for Nexia Sydney Audit Pty Ltd must be delivered by 21 November 2022 to the Company Secretary at stephenk@kcgadvisors.com.au.

1. Resolution 1 – Adoption of Remuneration Report (non-binding resolution)

1.1 Background

The Annual Report for the year ended 30 June 2022 contains a Remuneration Report that sets out the remuneration policy of the Company and the remuneration details for each Director and for each member of the Company's senior executive management team.

An electronic copy of the 2022 Annual Report is available to download or view on the Company's website at www.bodscience.com.au. The 2022 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company's shareholders. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Directors will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

1.2 Two strikes

If 25% or more of votes that are cast on this non-binding Resolution are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of these annual general meetings on a resolution (a **Spill Resolution**) that another meeting be held within 90 days (**Spill Meeting**), at which:

- (a) all the Company's Directors (other than the Managing Director) cease to hold office immediately before the end of the Spill Meeting; and
- (b) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

The approval threshold for the Spill Resolution is 50% or more of votes that are cast on the Spill Resolution.

At the 2021 Annual General Meeting, over 75% of votes cast were in favour of the Remuneration Report.

1.3 Board Recommendation

As the Remuneration Report sets out the remuneration details for each Director, the Board does not wish to make a recommendation as to how Shareholders ought to vote on Resolution 1.

The Chair intends to vote undirected proxies in favour of Resolution 1.

2. Resolution 2 – Re-election of Director, Mr Akash Bedi

2.1 Background

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Akash Bedi, who has served as a director since 22 July 2019, retires by rotation and seeks re-election in accordance with clause 51.1(c) of the company's constitution.

2.2 Qualifications

Akash is Group Senior Director of Strategy and Corporate Affairs at H&H Group. He is based in Hong Kong and is responsible for leading H&H Group's strategy and business development including mergers and acquisitions, and strategic investments for NewH2.

He has extensive experience in investing in global start-ups and high growth companies with technologies and businesses that are of strategic importance to H&H Group. Akash has a wealth of experience in multicultural and global environments. Prior to joining H&H Group, he was a Director of Global Consumer and Retail for HSBC for over a decade. During this time he worked on a number of highly complex acquisitions in North America, London and Asia.

2.3 Independence

If elected, the board considers Mr Bedi will not be an independent director due as a result of his employment with the H&H Group.

2.4 Board Recommendation

The Board (with Mr Bedi abstaining) recommends that Shareholders vote **FOR** Resolution 2.

The Chair intends to vote undirected proxies in favour of Resolution 2.

3. Resolution 3 – Re-election of Director, Mr David Baker

3.1 Background

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr David Baker having been appointed a Director on 4 April 2022 pursuant to a resolution of Directors in accordance with Rule 51.1(a) the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and, being eligible, seeks re-election from Shareholders.

3.2 Qualifications

David is a commercial advisor and company director with over 40 years' experience in law, investment banking, public company leadership and corporate governance. He has deep industry knowledge across a range of sectors and a sophisticated understanding of financial markets. Da-

vid is also a co-founder of Baker Cook Advisory which is a boutique provider of outsourced legal, commercial and governance advice and mediation services for corporations and government agencies.

3.3 *Independence*

If elected, the board considers Mr Baker will be an independent director.

3.4 *Board recommendation*

The Board (with Mr Baker abstaining) recommends that Shareholders vote **FOR** Resolution 3.

The Chair intends to vote undirected proxies in favour of Resolution 3.

4. Resolutions 4 to 15 and Resolution 17 – Resolutions relating to share capital

Resolutions 4 to 15 and Resolution 17 are Resolutions relating to the Company's share capital as set out below:

- Resolutions 4 and 5 – Ratification of prior issue of Placement Shares utilising the Company's placement capacity under Listing Rule 7.1 and Listing Rule 7.1A.
- Resolutions 6 and 7 – Ratification of prior issue of Consultant Shares and Broker Options under Listing Rule 7.1
- Resolution 8 and 9 – Approval to issue Shares to Directors on the same terms as the Placement Shares.
- Resolution 10 – Approval to issue Shares to the vendors of Aqua Phase in satisfaction of milestone payments under the asset purchase agreement.
- Resolutions 11 to 15 – Approval to issue Rights and Options to the Directors of the Company.
- Resolution 17 - Approval of additional 10 per cent placement capacity under ASX Listing Rule 7.1A.

Table 1 below sets out the potential dilutionary impact of Resolutions 4 to 15 (inclusive) and Resolution 17 on the share capital of the Company.

Table 1 – Potential Dilutionary Effect of Resolutions 4 to 15 (inclusive) and Resolution 17

Resolution Number	Description	Shares (number)	Shares (cumulative)	% (at issue)	% (after issue of all Shares per Resolution)	Options (number)	Options (cumulative)	% (at issue)	% (fully diluted)	Total equities (number)	Total equities (cumulative)
4, 5, 6 and 7	Current issued capital (including Shares and Options the subject of Resolutions 4,5,6 and 7)	151,246,493	151,246,493	100%	63%	16,221,099	16,221,099	100%	10%	167,467,592	167,467,592
8	Approval to issue Shares to Director - David Baker	1,250,000	152,496,493	1%	64%		16,221,099	0%	10%	1,250,000	168,717,592
9	Approval to issue Shares to Director - Joanne Patterson	625,000	153,121,493	0%	64%		16,221,099	0%	10%	625,000	169,342,592
10	Approval to issue Vendor Shares	70,000,000	223,121,493	31%	94%		16,221,099	0%	7%	70,000,000	239,342,592
11	Approval to issue Long Term Incentive Rights to Joanne Patterson		223,121,493	0%	94%	1,044,409	17,265,508	6%	7%	1,044,409	240,387,001
12	Approval to issue Options to Director - David Baker		223,121,493	0%	94%	750,000	18,015,508	4%	7%	750,000	241,137,001
13	Approval to issue Options to Director - George Livery		223,121,493	0%	94%	500,000	18,515,508	3%	8%	500,000	241,637,001
14	Approval to issue Options to Director - Akash Bedi		223,121,493	0%	94%	500,000	19,015,508	3%	8%	500,000	242,137,001
15	Approval to issue Options to Director - Johannes Cappon		223,121,493	0%	94%	500,000	19,515,508	3%	8%	500,000	242,637,001
17	Approval of additional 10% placement capacity under ASX Listing Rule 7.1A	15,124,649	238,246,142	6%	100%	-	19,515,508	0%	8%	15,124,649	257,761,650

The above table reflects the maximum number of Equity Securities that may be issued by the Company if the relevant Resolution is approved and assuming that no other Equity Securities are issued by the Company.

Refer to explanatory information for each of the Resolutions included in this Notice of Meeting for additional information.

5. Resolutions 4 and 5 – Ratification of prior issue of Shares under Listing Rule 7.1 and Listing Rule 7.1A

5.1 Background

On 1 September 2022, the Company announced that it had received firm acceptances from sophisticated and professional investors for approximately 16.9 million fully paid ordinary shares at a price of A\$0.08 per share to raise \$1.35 million before costs via a placement led by Taylor Collison Limited (the **Placement**).

The Placement was undertaken in conjunction with a 4 for 17 pro rata non-renounceable entitlement offer at A\$0.08 per share which successfully raised \$2.0 million (**Entitlement Offer**).

The Placement was issued within the Company's placement capacity under the ASX Listing Rules as follows:

- 6,292,608 Shares issued pursuant to the Company's existing 15% placement capacity under ASX Listing Rule 7.1; and
- 10,582,392 Shares issued pursuant to the Company's existing 10% placement capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 22 November 2021.

As announced on 7 September 2022, the Company completed the Placement on 7 September 2022. The allottees were professional and sophisticated applicants as determined by the Board, and Taylor Collison Limited, none of whom are related parties of the Company.

Resolutions 4 and 5 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares.

In conjunction with the Placement, the Company undertook a conditional placement to Directors Joanne Patterson and David Baker on the same terms as the Placement – see Resolutions 6 and 7 and the accompanying explanatory materials.

5.2 Technical information required by Listing Rule 14.1A

If Resolutions 4 and 5 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Shares.

If Resolutions 4 and 5 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Shares. It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 17 being passed at this Meeting.

5.3 Issue Pursuant to ASX Listing Rule 7.1

As described in section 2.1, 6,292,608 Shares were issued pursuant to the Company's existing capacity under ASX Listing Rule 7.1 under the Placement.

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12-month period, without Shareholder approval (15% Threshold).

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 6,292,608 Shares issued pursuant to ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.4 *Issue Pursuant to ASX Listing Rule 7.1A*

As described in section 2.1, 10,582,392 Shares were issued pursuant to the Company's existing capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 22 November 2021.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- b) are counted in variable "E,"

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 10,582,392 Shares issued pursuant to ASX Listing Rule 7.1A

By ratifying the issue, the subject of Resolutions 4 and 5, the base figure (i.e. variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. It is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 17 being passed by the requisite majority.

5.5 *Technical information*

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 4 and Resolution 5:

- (a) 6,292,608 Shares were issued pursuant to ASX Listing Rule 7.1, and 10,582,392 Shares were issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price for all Shares was \$0.08 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investors as determined by the

Board, and Taylor Collison Limited, none of whom are related parties of the Company; and

- (e) after paying the expenses of the Placement, the funds raised are intended to be used for the initial cash consideration for the Aqua Phase acquisition also announced by the Company on 1 September 2022.

5.6 Board Recommendation

- (a) The Board recommends that Shareholders vote in favour of Resolution 4.
- (b) The Board recommends that Shareholders vote in favour of Resolution 5.
- (c) The Chair intends to vote undirected proxies in favour of Resolution 4.
- (d) The Chair intends to vote undirected proxies in favour of Resolution 5.

6 Resolution 6 – Ratify prior issue of Consultant Shares under Listing Rule 7.1

6.1 Background

On 14 October 2022, the Company issued 3,125,000 Shares at a deemed issue price of \$0.08 per Share to S3 Consortium Pty Ltd (S3) trading as Stocks Digital for the provision of future marketing services (Consultant Shares).

As summarised in Section 6.2 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 securities it had on issue at the start of that 12-month period. Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 22 November 2020.

The issue of the Consultant Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Consultant Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under 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 for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultant Shares. Resolution 6 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultant Shares.

6.2 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Consultant Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Consultant Shares.

If Resolution 6 is not passed, the Consultant Shares will be included in calculating the Company's

combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Consultant Shares. It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 17 being passed at this Meeting.

6.3 *Technical information required by Listing Rule 7.5*

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) the Consultant Shares were issued to S3;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 3,125,000 Consultant Shares were issued and the Consultant Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Consultant Shares were issued on 14 October 2022;
- (e) the deemed issue price was \$0.08 per Consultant Shares. The Company has not and will not receive any other consideration for the issue of the Consultant Shares;
- (f) the purpose of the issue of the Consultant Shares was as consideration for the provision of future marketing services provided by S3; and
- (g) the Consultant Shares were issued to S3 Consortium Pty Ltd under the S3 Agreement. A summary of the material terms of the S3 Agreement are contained in Annexure 4.

6.4 *Board Recommendation*

The Board recommends that Shareholders vote in favour of Resolution 6.

The Chair intends to vote undirected proxies in favour of Resolution 6.

7 **Resolution 7 – Ratify prior issue of Broker Options under Listing Rule 7.1**

7.1 *Background*

On 14 October 2022, the Company issued 2,000,000 Options at a deemed value of \$0.021 per Option to Taylor Collison Limited (or its nominees) for services provided in relation to the Placement and the Entitlement Offer (**Broker Options**).

As summarised in Section 5.2 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 securities it had on issue at the start of that 12-month period. Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 22 November 2021.

The issue of the Broker Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Broker Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under 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 for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Broker Options. Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Broker Options.

7.2 *Technical information required by Listing Rule 14.1A*

If Resolution 7 is passed, the Broker Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Broker Options.

If Resolution 7 is not passed, the Broker Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Broker Options. It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 17 being passed at this Meeting.

7.3 *Technical information required by Listing Rule 7.5*

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) the Broker Options were issued to Taylor Collison Limited who assisted with the Placement and related Entitlement Offer;
- (b) the Company confirms that none of the recipients were related parties of the Company;
- (c) 2,000,000 Broker Options were issued and the Broker Options were issued on the terms and conditions set out in Schedule 4;
- (d) the Broker Options were issued on 14 October 2022;
- (e) the deemed issue price was \$0.037 per Broker Option. The Company has not and will not receive any other consideration for the issue of the Broker Options (other than in respect of funds received on exercise of the Broker Options);
- (f) the purpose of the issue of the Broker Options was consideration for Taylor Collison Limited regarding the Placement Shares issue and the Entitlement Offer; and
- (g) the Broker Options were issued to Taylor Collison Limited under the Taylor Collison Limited Agreement. A summary of the material terms of the Taylor Collison Limited Agreement are contained in Annexure 5.

7.4 *Board Recommendation*

The Board recommends that Shareholders vote in favour of Resolution 7.

The Chair intends to vote undirected proxies in favour of Resolution 7.

8 Resolution 8 and Resolution 9 – Approval to issue Shares to Directors

8.1 Background

On 31 August 2022, the Company entered into agreements with Mr David Baker, the Non-Executive Chairman of the Company and Ms Joanne Patterson, a Non-Executive Director of the Company, whereby they agreed to subscribe for Shares in the Company at a price of \$0.08 per Share (**Director Placement**), being the same price at which the Placement was undertaken (see Section 5.1 of this Explanatory Memorandum).

A summary of the agreements entered into for the Director Placement is presented below:

Director	Number of shares to be issued	Price per share	Funds received from Director
David Baker	1,250,000	\$0.08	\$100,000
Joanne Patterson	625,000	\$0.08	\$50,000
	1,875,000		\$150,000

8.2 General

Pursuant to Resolutions 8 and 9 the Company is seeking Shareholder approval for the issue of a total of 1,875,000 Shares to Directors Joanne Patterson and David Baker (or nominees) at an issue price of \$0.08 per Share to raise \$150,000 (**Director Placement**).

The Director Placement is subject to Shareholder approval. Resolution 8 seeks Shareholder approval for the issue of 1,250,000 Shares to Mr David Baker or his nominee and Resolution 9 seeks Shareholder approval for the issue of 625,000 Shares to Ms Joanne Patterson or her nominee arising from their participation in the Director Placement.

8.3 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 Shares constitutes the giving of a financial benefit. Mr David Baker and Ms Joanne Patterson is each a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issues of the Shares the subject of Resolution 8 and Resolution 9, because the proposed issue of Shares is on the same terms and conditions as Shares that were issued to non-related sophisticated investors at the same time that the agreements were entered into for the Director Placement and can therefore be considered to be on an arm's length basis.

8.4 ASX Listing Rule 10.11

The Company is proposing to issue 1,875,000 Shares to Directors pursuant to the Director

Placement.

ASX 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 (references are references to sections of ASX Listing Rule 10):

- 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 holder (30%+) 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 the 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 the ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Mr David Baker and Ms Joanne Patterson is each a related party of the Company by virtue of being a Director. As the Director Placement involves the issue of Shares to related parties of the Company, ASX Listing Rule 10.11.1 requires the Director Placement to be approved by Shareholders unless an exception set out in Listing Rule 10.12 applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

8.5 *Technical information required by Listing Rule 14.1A*

If Resolutions 8 and 9 are passed, the Shares will be issued under the Director Placement, and the Company will receive cash proceeds of \$150,000. Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Shares will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

If Resolutions 8 and 9 are not passed, the Shares will not be issued under the Director Placement, and the Company will not receive any proceeds from the Director Placement.

8.6 *Technical information required by Listing Rule 10.13*

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Directors and / or their nominees pursuant to Resolution 8 and Resolution 9:

- (a) the names of the related parties are Mr David Baker (Resolution 8) and Ms Joanne Patterson (Resolution 9) and / or their nominees and they are related parties by virtue of Listing Rule 10.11.1;
- (b) the maximum number of Shares to be issued is:
 - (i) 1,250,000 Shares to David Baker to raise \$100,000 (Resolution 8); and
 - (ii) 625,000 Shares to Joanne Patterson to raise \$50,000 (Resolution 9),(being the nature of the financial benefit being provided) as set out in the table in section 8.1 of this Explanatory Memorandum;
- (c) the Shares will be issued at an issue price of \$0.08 and will raise a total of \$150,000.

Together with the funds raised from the Placement, the funds raised from the Director Placement will be used for the following purposes:

- (iii) to pay for the costs of the Placement and the Director Placement; and
- (iv) to fund the initial cash consideration for the Aqua Phase that was announced by the Company on 1 September 2022;
- (d) the Shares will rank equally in all respects with existing the Company's existing fully paid ordinary Shares;
- (e) the Director Placement is not made to incentivise any director and the key terms of the subscription agreement by which the Director Placement is being made are outlined above;
- (f) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date; and
- (g) voting exclusion statements for each of Resolutions 8 and 9 are included in the Notice of Meeting.

8.7 *Directors Recommendation*

The Board (with David Baker abstaining) recommends that Shareholders vote **FOR** Resolution 8.

The Board (with Joanne Patterson abstaining) recommends that Shareholders vote **FOR** Resolution 9.

The Chair intends to vote undirected proxies in favour of Resolution 8 and Resolution 9.

9 **Resolution 10 – Approval to issue Consideration Shares to Aqua Phase Vendors**

9.1 *Background*

On 30 August 2022, the Company announced that it had entered into a binding agreement to acquire 'Aqua Phase', a process technology to increase the bioavailability of cannabis compounds ("*Invention*"), together with all intellectual property, confidential information, records, goodwill, and the right to use the name 'Aqua Phase' ("*Acquisition*").

Aqua Phase is a unique process technology developed by two UK-based scientists. The technology has the potential to deliver an Active Pharmaceutical Ingredient (API) for cannabis products, which provides more rapid onset, better efficacy, and lower dosage rates. This is expected to result in raw material cost savings and fewer side effects for consumers.

If commercialised, the Invention is expected to be able to be presented in multiple formats including bulk powders, capsules, tablets, fast dissolves, and concentrates. The Company anticipates that these will have multiple applications in the rapidly growing beverage, supplement, and pharmaceutical sectors.

The soluble, odourless, colourless, and tasteless complex may also unlock a number of new market segments for Bod, including entry into the rapidly growing functional beverage and supplement sectors.

Completion of the Acquisition is subject to the following conditions precedent being satisfied or waived (by Bod):

CP #	Description	CP due date
1.	Successful manufacture of Milestone Product for a pharmacokinetic (PK) study to be undertaken by Bod.	3 months after execution
2.	Successful completion of non-pharmaceutical GMP stability for one-month real time and one month accelerated time (which later provides for 3 months of real time stability) on the Milestone Product.	3 months after execution
3.	Successful proof in a human (PK) Study that the Milestone Product has a 30% or greater improved bioavailability as determined by the area under the curve difference compared with cannabidiol (CBD) dissolved in MCT oil.	6 months after execution
4.	Successful completion of an equity raise transaction by Bod which raises at least A\$2 million in aggregate.	4 months after execution

The “Milestone Product” for the purposes of the transaction is any CD/CBD capsule, tablet or other product format agreed by the parties which utilises the Invention.

Under the terms of the Agreement Bod will pay the Vendors the following amounts for the transaction:

- At Completion of the transaction (being the point at which the conditions precedent have all been satisfied or waived), **GBP 1 million.**
- Following Completion, if Milestone 1 is achieved within 24 months of the Completion Date (or a maximum of 30 months from the execution date of the Agreement), **GBP 0.5 million (Milestone 1 Payment).** Milestone 1 is defined as the successful manufacture to pharmaceutical GMP standards of such number of batches of the Milestone Product as is agreed between the Vendors, Bod and the relevant pharmaceutical body and such batches being placed onto and achieving pharmaceutical GMP stability for one month real time and one month accelerated time.
- Following Completion, if Milestone 2 is achieved within 36 months of the Completion Date (or a maximum of 42 months from the execution date of the Agreement), **GBP 1.5 million (Milestone 2 Payment).** Milestone 2 is defined as the successful production of the first commercial pharmaceutical GMP (100,000-500,000 capsule run) batch of Milestone Product.

Dr Peter Stabler will receive 60% of the total consideration paid by Bod and Mr Gregory Stoloff will receive 40% of the total consideration paid by Bod. Neither of the Vendors is a related party of Bod holds a relevant interest in any Bod Shares.

If Bod elects, Milestone 1 Payment and Milestone 2 Payment may be satisfied by the issue of fully paid ordinary shares in Bod (in lieu of cash) (**Consideration Shares**), or a combination of cash and shares. The issue price will be based on the 3-month VWAP of Bod shares at the relevant time, less a 10% discount to reflect the issue of shares rather than cash. The Milestone Payment amounts will be converted from GBP to Australian dollars at the time of calculation.

The issue of the Consideration Shares must not result in a Vendor obtaining a relevant interest in 20% or more of Bod’s issued shares.

The Company currently has 151,246,493 Shares on issue.

In the event that all of the 70,000,000 Consideration Shares were required to be issued and the Company does not issue any other Shares, the implications will be as follows:

- The Company's issued capital would increase by 70,000,000 Shares (or 46.3% of issued capital).
- The Company will have a total of 221,246,493 Shares on issue.
- Dr Peter Stabler (or nominee) will be issued 42,000,000 Shares (representing a relevant interest in 19% of issued Shares at the time of issue).
- Mr Gregory Stoloff (or nominee) will be issued 28,000,000 Shares (representing a relevant interest in 12.7% of issued Shares at the time of issue).

The Directors note that Bod has the option to settle the Milestone Payments in cash, Shares, or a mix of both. The Directors would exercise their discretion at the relevant time in the interests of Shareholders, taking into account the Company's share price, its cash position and the dilutionary effect of the issue of the Consideration Shares.

The issue of Consideration Shares is subject to Bod shareholder approval, failing which the Milestone Payments must be settled in cash.

If either Milestone 1 Payment or Milestone 2 Payment is not triggered, but Bod subsequently achieves sales in excess of GBP 1 million of a Milestone Product or of another Product utilising the Invention, or sells the Invention to a third party, Bod will pay any Milestone Payment which has not already been paid to the Vendors.

If following Completion Bod becomes insolvent or fails to pay a milestone payment as required under the agreement (provided that Bod will first have a 60 business day grace period to rectify any non-payment of a milestone payment), Bod will be required to transfer legal and beneficial ownership of the Invention and related assets back to the Vendors.

ASX Listing Rule 7.1 permits a listed company to issue up to 15% of its issued share capital during any 12 month period without obtaining shareholder approval, and ASX Listing Rule 7.1A permits certain listed companies to issue up to an additional 10% of their issued share capital during any 12 month period, in both cases subject to certain exceptions. The issue of the Consideration Shares does not fall within any of these exceptions and would exceed Bod's available Placement Capacity and therefore requires Shareholder approval under ASX Listing Rule 7.1. As such, the purpose of Resolution 8 is to seek Shareholder approval for the issue of the Consideration Shares for the purposes of ASX Listing Rule 7.1.

9.2 *Information required by ASX Listing Rule 14.1A*

If Resolution 10 is approved, Bod will be able to proceed with the issue of the Consideration Shares the subject of Resolution 8, subject to the Milestones being achieved in the required timeframes. In addition, the issue of the Consideration Shares will be excluded from the calculation of the number of equity securities that Bod can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 10 is not approved, Bod will not be able to proceed with the issue of the Consideration Shares the subject of Resolution 10, and a cash payment of GBP 0.5 million for the Milestone 1 Payment (subject to Milestone 1 being achieved) and GBP 1.5 million for the Milestone 2 Payment (subject to Milestone 2 being achieved) will instead be made by Bod to the Aqua Phase vendors.

9.3 *Waiver required from the requirements of ASX Listing Rule 7.3.4*

Listing Rule 7.3.4 requires a notice of meeting with a resolution to approve the issue of equity securities to state that the securities will be issued within three months of the date of the shareholders' meeting.

The Company will apply for a waiver from the ASX to permit the Company to issue the Consideration Shares later than three months after the date of the Meeting.

If the waiver is not granted by ASX, Resolution 8 will be of no effect on and from three

months after the Meeting.

If the waiver is granted by ASX the following will, subject to any other conditions that ASX may at its sole condition impose:

- (a) Issue each tranche of the Consideration Shares as soon as possible following the Milestone being achieved and the Company electing to issue Consideration Share in full partial settlement of the applicable Milestone Payment and in any event, by not later than the following:
 - (i) In respect of the Milestone 1 Consideration Shares : 31 March 2024
 - (ii) In respect of the Milestone 2 Consideration Shares : 31 March 2025
- (b) Not vary the terms of issue of the Consideration Shares.
- (c) For any annual reporting period during which any of the Consideration Shares have been issued or any of them remain to be issued, the Company's annual report sets out the number of Consideration Shares that remain to be issued and the basis on which the Consideration Shares may be issued.
- (d) In any half year or quarterly report for a period during which any of the Consideration Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Consideration Shares that remain to be issued and the basis on which the Consideration Shares may be issued.

9.4 Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 10:

- (a) The Consideration Shares may be issued to Dr Peter Josef Stabler (as to 60%) and Mr Gregory Alan Stoloff (as to 40%) (or their nominees).
- (b) None of the recipients will be related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties.

If the maximum number of Consideration Shares is issued and no other Shares are issued:

- (i) The Company will have a total of 221,246,493 Shares on issue.
- (ii) Dr Peter Stabler (or nominee) will be issued 42,000,000 Shares (representing a relevant interest in 19% of issued Shares at the time of issue).
- (iii) Mr Gregory Stoloff (or nominee) will be issued 28,000,000 Shares (representing a relevant interest in 12.7% of issued Shares at the time of issue).
- (c) The maximum number of Consideration Shares to be issued is 70,000,000.
- (d) The Consideration Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as existing Shares.
- (e) The Consideration Shares may be issued in two tranches as follows and will be issued no later than three months following the date of the Meeting or such other date as may be allowed in any waiver granted by the ASX as described in section 9.3(a).
- (f) The Consideration Shares are being issued for no cash consideration in full or partial satisfaction of the Milestone 1 and Milestone 2 payments under the Aqua Phase Acquisition Agreement.
- (g) A summary of the material terms of the Aqua Phase Acquisition Agreement is set out in

Section 7.1.

- (h) The Consideration Shares are not being issued under, or to fund, a reverse takeover.

9.5 Dilution

Set out below is a worked example of the number of Consideration Shares that may be issued under Resolution 10 based on the volume weighted average price for Shares on the 10 days on which sales in Shares were recorded before 12 October 2022, the price which is 50% higher and the maximum number of Consideration Shares that may be issued.

Tranche of Consideration Shares	Assumed issue price	Maximum number of Consideration Shares which may be issued ¹	Current Shares on issue as the date of this Notice ²	Number of Shares on issue assuming the Company issues the maximum amount pursuant to Resolution 8 ³	Dilution effect on existing Shareholders
Milestone 1 - GBP0.5 million (A\$0.89 million at an exchange rate of GBP:AUD 0.56497 on 12 October 2022)					
Current VWAP	\$0.08	10,727,306	151,246,493	161,973,799	7.09%
50% increase in VWAP	\$0.12	7,151,537	151,246,493	158,398,030	4.73%
Floor Price	\$0.05	17,500,000	151,246,493	168,746,493	11.57%
Milestone 2 - GBP1.5 million (A\$2.65 million at an exchange rate of GBP:AUD 0.56497 on 12 October 2022)					
Current VWAP	\$0.08	32,181,918	151,246,493	183,428,411	21.28%
50% increase in VWAP	\$0.12	21,454,612	151,246,493	172,701,105	14.19%
Floor Price	\$0.05	52,500,000	151,246,493	203,746,493	34.71%
Total of Milestone 1 and Milestone 2 Tranches					
Current VWAP	\$0.08	42,909,224	151,246,493	194,155,717	28.37%
50% increase in VWAP	\$0.12	28,606,149	151,246,493	179,852,642	18.91%
Floor Price	\$0.05	70,000,000	151,246,493	221,246,493	46.28%

Notes:

1. Rounded to the nearest whole number.
2. There are currently 151,246,493 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no convertible securities converted or additional Shares issued, other than the maximum number of Shares which may be issued pursuant to Resolution 10 (based on the assumed issue prices set out in the table).
3. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

9.6 Directors Recommendation

The Board recommends that Shareholders vote **FOR** Resolution 10.

The Chair intends to vote undirected proxies in favour of Resolution 10.

10. Resolution 11 – Issue of Long-Term Incentive Rights to Joanne Patterson

10.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 1,044,409 Long Term Incentive Rights (LTIs) to the Company's Managing Director and Chief Executive Officer Ms Joanne Patterson (or her nominees) as a component of her remuneration. Resolution 11 seeks shareholder approval for the issue of the LTIs.

The grant of the LTIs is subject to Shareholder approval.

10.2 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 LTIs constitutes the giving of a financial benefit and Ms Patterson is a related party of the Company by virtue of being a director.

The Board (other than Ms Patterson), has considered the application of Chapter 2E of the Corporations Act to the proposed issue of LTIs and considers that the financial benefit given by the issue of the LTIs does not require Shareholder approval pursuant to section 208 of the Corporations Act for the following reasons:

- (a) the LTIs constitute part of Ms Patterson's remuneration as the Managing Director and Chief Executive Officer of the Company;
- (b) the LTIs are a reasonable form of equity-based remuneration to Ms Patterson given the circumstances of the Company and Ms Patterson's role within it;
- (c) the LTIs provide a performance linked incentive component in Ms Patterson's remuneration package and represent a cost effective form of remuneration, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Ms Patterson;
- (d) Ms Patterson's remuneration arrangements have been negotiated at arm's length, and are not more favourable to Ms Patterson than other commensurate agreements for persons in similar roles in entities similar to the Company; and
- (e) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in conducting the issue of the LTIs on the terms proposed.

The directors (with Ms Patterson abstaining) therefore consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the LTIs the subject of this Resolution 11, because the proposed issue of LTIs is reasonable remuneration in the circumstances and will align the interests of Ms Patterson with the interests of the Company's Shareholders.

10.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

10.4 Technical information required by ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the LTIs pursuant to this Resolution 11:

- (a) the LTIs are to be issued to Ms Joanne Patterson who falls within the category set out in Listing Rule 10.14.1 by virtue of being a director of the Company;
- (b) the maximum number of LTIs (being the nature of the financial benefit being provided) to be issued is 1,044,409;
- (c) the LTIs will be issued for nil cash consideration;
- (d) the terms and conditions of the LTIs are set out in Annexure 2;
- (e) the LTIs are being issued pursuant to the Long Term Incentive Plan (LTIP). A summary of the key terms of the LTIP is set out in Annexure 1;
- (f) the LTIs are unquoted securities. The Company has chosen to issue LTIs to Ms Patterson for the following reasons:
 - i. the LTIs are unquoted; therefore the issue of the LTIs has no immediate dilutionary impact on Shareholders;
 - ii. the milestones attaching to the LTIs will align the interests of Ms Patterson with those of Shareholders; and
 - iii. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the LTIs on the terms proposed.
- (g) Ms Patterson's current total annual remuneration package is:

	\$	
Base salary exclusive of superannuation		340,673
Superannuation		38,099
Base salary inclusive of superannuation		<u>378,772</u>

In addition, Ms Patterson may receive a cash bonus of up to 25% of her base salary on the achievement of agreed performance metrics in a financial year;

- (h) the Company values the LTIs as follows using a Black Scholes valuation methodology:

	Value per LTI	Total value
Tranche 1 – 348,136 LTIs expiring five years from the date of issue and which vest on a 10-day VWAP of \$0.10395 for the Company's shares being achieved on or before 30 June 2023	\$0.088	\$30,635
Tranche 2 – 348,136 LTIs expiring five years from the date of issue and which vest on a 10-day VWAP of \$0.14553 for the Company's shares being achieved on or before 30 June 2024	\$0.083	\$28,895
Tranche 3 – 348,137 LTIs expiring five years from the date of issue and which vest on a 10-day VWAP of \$0.20374 for the Company's shares being achieved on or before 30 June 2025	\$0.08	\$27,851
		<u>\$87,381</u>

The assumptions used in valuing the LTIs are set out below:

	Tranche 1	Tranche 2	Tranche 3
Grant date	20 October 2022		
Expiry date	Five years from date of issue.		
Vesting date	30 June 2023	30 June 2024	30 June 2025
VWAP hurdle	\$0.10395	\$0.14553	\$0.20374
Risk free rate (%)	3.50%		
Volatility (%)	87.5%		
Fair value per LTI	\$0.088	\$0.083	\$0.08

- (i) Ms Patterson has previously been issued 621,328 incentives under the LTIP of which 491,268 have expired without vesting;
- (j) the LTIs will be issued no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). It is anticipated the Options will be issued on one date and shortly after the Meeting;
- (k) details of any Shares issued to Ms Patterson on exercise of the LTIs will be published in the annual report of the Company relating to the period in which the Shares have been issued and it will be disclosed that the approval for the issue of the Shares was obtained under ASX Listing Rule 10.14;
- (l) any additional person covered by Listing Rule 10.14 who becomes entitled to participate in an issue of securities under the LTIP after the resolution is approved, and who was not named in the notice of meeting, will not participate until approval is obtained under Listing Rule 10.14; and
- (m) no loans are being provided in connection with the issue of the LTIs.

Pursuant to Listing Rule 7.2 Exception 14, approval pursuant to ASX Listing Rule 7.1 is not required to issue the LTIs as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of LTIs to Ms Patterson will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

If Resolution 11 is not passed, the Company will not be able to issue the LTIs to Ms Patterson as part of her remuneration package and may be required to consider other forms of remunerating Ms Patterson including the payment of cash incentives in lieu of the LTIs.

10.5 *Directors Recommendation*

The Board (with Ms Patterson abstaining) recommends that Shareholders vote **FOR** Resolution 11.

The Chair intends to vote undirected proxies in favour of Resolution 11.

11. **Resolutions 12 to 15 – Approval to issue Options to Directors**

11.1 *Background*

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 2,250,000 Options to Non-Executive Directors as a component of their remuneration. Resolutions 12 to 15 seek Shareholder approval for the issue of the Options to the Non-Executive Directors or their nominees.

A summary of the proposed issues of Options is set out below:

Director	Number of options to be issued
David Baker	750,000
George Livery	500,000
Akash Bedi	500,000
Johannes Cappon	500,000
	2,250,000

The grant of the options is subject to Shareholder approval.

11.2 *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 Options constitutes the giving of a financial benefit and each of the Directors to whom the Options are proposed to be issued, is a related party of the Company by virtue of being a Director or, in the case of Mr Masterson, a proposed Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issues of the Shares the subject of Resolutions 12 to 15 inclusive, because the proposed issue of Shares is considered to be reasonable remuneration in the circumstances and will align the interests of the Directors with the interests of the Company's shareholders.

11.3 *ASX Listing Rule 10.11*

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

11.4 *Technical information required by ASX Listing Rule 10.13*

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Options to Directors pursuant to Resolutions 12 to 15 inclusive:

- (a) The names of the Directors to whom the Options are to be issued are Mr David Baker, Mr George Livery, Mr Akash Bedi, and Mr Johannes Cappon each of whom is a related party under Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Options to be issued is 2,250,000 (being the nature of the financial benefit being provided) as set out below:

Director	Number of options to be issued
David Baker	750,000
George Livery	500,000
Akash Bedi	500,000
Johannes Cappon	500,000
	2,250,000

- (c) The current total annual remuneration, inclusive of superannuation, for each of the Directors is:

	\$
David Baker	61,800
George Livery	51,500
Akash Bedi	51,500
Johannes Cappon	51,500

- (d) the Options will be issued for nil cash consideration and accordingly, no funds will be raised;
- (e) the terms and conditions of the Options are set out in Annexure 3; and
- (f) the Options will be issued no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Options will be issued on one date.

No loans are being provided in connection with the issue of the Director Options.

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Options to the Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Options to the Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

If any of Resolutions 12 to 15 inclusive are not passed, the Company will not be able to issue the Options to the relevant Director(s) as part of their remuneration and may be required to consider other forms of remunerating the relevant Director(s) including the payment of cash incentives in lieu of the Options.

11.5 Directors Recommendation

As Resolutions 12 to 15 relate to the remuneration of the Non-Executive Directors, the Board does not wish to make a recommendation as to how Shareholders ought to vote on Resolutions 12 to 15.

The Chair intends to vote undirected proxies in favour of Resolutions 12 to 15.

12 Resolution 16 – Approval of change of Company name to Bod Science Limited

12.1 Background

The Company proposes to change its name from “Bod Australia Limited” to “Bod Science Limited” which more accurately reflects the expansion of the Company’s operation into international markets. The change of name will take effect from when ASIC alters the details of the Company’s registration.

This change in name will not in itself, affect the legal status of the Company or any of its assets or liabilities.

The proposed name has been reserved with ASIC by the Company and if this Resolution is passed the Company will lodge a copy of the Special Resolution with ASIC following the Meeting in order to effect the change.

Pursuant to section 157(1) of the Corporations Act, a change in Company name can only be effected by way of a Special Resolution passed by its Shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

12.2 Directors Recommendation

The Board recommends that Shareholders vote **FOR** Resolution 16.

The Chair intends to vote undirected proxies in favour of Resolution 16.

13. Resolution 17 – Approval of additional 10% placement capacity

13.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its fully paid ordinary issued capital (**10% Placement Capacity**) without using the Company’s 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$15m as at 12 October 2022.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

This Resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 15 for it to be passed. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

If Resolution 17 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain

subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1

13.2 ASX Listing Rule 7.1A

(a) Period

An approval under ASX Listing Rule 7.1A must be for a period commencing on the date of the Annual General Meeting at which the approval is obtained and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 or 11.2.

(b) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

(c) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue 2 classes of Equity Securities, being Shares and Options. Only the Company's Shares are quoted.

(d) Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities that have obtained Shareholder approval at an AGM may issue or agree to issue, during the 12-month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement to issue:

- plus, the number of fully paid ordinary securities issued in the previous 12 months under an exception in ASX Listing Rule 7.2 other than Exception 9, 16 or 17;
- plus, the number of fully paid ordinary securities issued in the previous 12 months on the conversion of convertible securities within ASX Listing Rule exception 9 where:
 - there convertible securities were issued or agreed to be issued before the commencement of the 12-month period; or
 - the issue, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved under ASX Listing Rule 7.1 or 7.4,
- plus, the number of fully paid ordinary securities issued in the previous 12 months under an agreement to issue Shares within ASX Listing Rule 7.2 exception 16 where:

- the agreement was entered into before the commencement of the 12 month period; or
 - the issue or agreement was approved, or taken under the ASX Listing Rules to have been approved under ASX Listing Rule 7.1 or 7.4,
- plus, the number of fully paid ordinary securities issued in the previous 12 months with approval of Shareholders under Listing Rules 7.1 or 7.4. This does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval;
 - plus the number of partly paid ordinary securities that became fully paid during the 12 month period,
 - less the number of fully paid ordinary securities cancelled in the previous 12 months;
- D is 10%; and
- E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 month period where the issue or agreement has not been subsequently approved by Shareholders under ASX Listing Rule 7.4.

(e) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

- (i) At the date of this Notice, the Company has on issue 151,246,493 fully paid ordinary securities. The Company therefore has a capacity to issue: 22,686,974 Equity Securities under Listing Rule 7.1 (subject to the passing of Resolutions 4 to 7); and
- (ii) 15,124,649 Equity Securities under Listing Rule 7.1A (subject to the passing of Resolution 17).

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(d) above).

13.3 *Technical information required by ASX Listing Rule 7.1A*

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 17:

(a) ***Minimum Price***

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in paragraph 7.3(a)(i) the date on which the Equity Securities are issued.

(b) ***Date of Issue***

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; or
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) after which date, an approval under Listing Rule 7.1A ceases to be valid, (10% Placement Capacity Period).

(c) ***Risk of voting dilution***

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in Table 2 below.

Table 2 shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, based on the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

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

Table 2 – Potential dilutionary impact of Resolution 17

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A.2)	Dilution			
	Issue Price (per Share)	\$0.0495 (50% decrease in issue price)	\$0.099 (issue price)	\$0.12375 (25% increase in issue price)
151,246,493 (Current Variable 'A')	Shares issued - 10% voting dilution	15,124,649 Shares	15,124,649 Shares	15,124,649 Shares
	Funds Raised	\$748,670	\$1,497,340	\$1,871,675
226,869,740 (50% increase in Variable 'A')*	Shares issued - 10% voting dilution	22,686,974 Shares	22,686,974 Shares	22,686,974 Shares
	Funds Raised	\$1,123,005	\$2,246,010	\$2,807,513
302,492,986 (100% increase in Variable 'A')*	Shares issued - 10% voting dilution	30,249,299 Shares	30,249,299 Shares	30,249,299 Shares
	Funds Raised	\$1,497,340	\$2,994,681	\$3,743,351

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

Table 2 uses the following assumptions:

- (i) There are currently 151,246,493 Shares on issue as at the date of this Notice of Meeting.
- (ii) The current issue price set out above is the closing price of the Shares on the ASX on 12 October 2022, being \$0.099.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (v) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (vi) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. Therefore, the voting dilution is shown in each example as 10%.
- (vii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (i) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) *Purpose of Issue under 10% Placement Capacity*

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration in which case the Company intends to use funds raised to undertake research and development activity, drive global expansion, and broaden existing channels to market domestically and internationally.

The Company will comply with the disclosure obligations under ASX Listing Rule 7.1A.4 upon issue of any Equity Securities.

(e) *Allocation policy under the 10% Placement Capacity*

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

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

- (i) the purpose of the issue;
 - (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial, and broking advisers (if applicable).
- (f) ***Previous Approval under ASX Listing Rule 7.1A and disclosure required by ASX Listing Rule 7.3A.6***

The Company has previously obtained approval under ASX Listing Rule 7.1A at its Annual General Meeting held on 22 November 2021.

In accordance with ASX Listing Rule 7.3A.6, the Company discloses that during the 12-month period preceding the date of the Meeting, the Company issued the following Equity Securities pursuant to ASX Listing Rule 7.1A:

- (i) On 1 September 2022 announced that it had received firm commitments for the issue of 16,875,000 Shares at an issue price of \$0.08 per share to raise \$1.35 million before costs. The Shares were issued on 7 September 2022. The Company also announced the conditional Director Placement – to raise \$150,000 at the same issue price – at that time.
- (ii) 10,582,392 Shares were issued under the Placement pursuant to the Company's Listing Rule 7.1A placement capacity.
- (iii) The Shares issued represent approximately 8.85% of the total diluted number of Equity Securities on issue in the Company on 10 November 2021 which was 119,556,040.
- (iv) The issue price of \$0.08 per share represented a discount of 19% to the \$0.13 per share closing price of the Company's shares on 28 March 2022 being the last day on which the Company's shares traded prior Company entering into agreements to issue the Shares.
- (v) The allottees were professional and sophisticated applicants, as determined by the Board and the Lead Managers who assisted in the Capital Raising, none of whom are related parties of the Company. The placement participants were identified through a bookbuild process which involved the Lead Manager seeking expressions of interest to participate in the placement from non-related parties of the Company.
- (vi) The Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.
- (vii) In the period since the Share issue the Company has spent approximately \$0.09 million of the total placement proceeds of \$1.35 million for the costs of the Share issue.
- (viii) The remaining total Share issue proceeds of \$1.26 million are intended to be used to fund the initial cash consideration payment under the Project aqua Acquisition

Agreement.¹

(g) ***Compliance with ASX Listing Rules 7.1A.4***

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (i) state in its announcement of the proposed issue under rule 3.10.3 or in its application for quotation of the securities under rule 2.7 that the securities are being issued under rule 7.1A.

13.4 *Voting Exclusion*

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

13.5 *Directors Recommendation*

The Board recommends that Shareholders vote **FOR** Resolution 17.

The Chair intends to vote undirected proxies in favour of Resolution 17.

¹ This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

Glossary

In this Explanatory Memorandum and the Notice of Meeting:

10% Placement Capacity has the meaning given in Section 11.1;

AUD, \$, AU\$ are references to the Australian Dollar;

Annual General Meeting or **Meeting** means the annual general meeting of the Company to be convened by this Notice of Meeting (unless the context otherwise requires);

Associate(s) has the meaning given in the Corporations Act;

ASX means the Australian Securities Exchange or ASX Limited ACN 008 624 691;

ASX Listing Rules means the official Listing Rules of ASX;

Board means the board of Directors of the Company at the date of this Notice;

Chair means the chair of the Meeting;

Closely Related Party of a member of the Key Management Personnel for an entity, includes:

1. a spouse or child of the member;
2. a child of the member's spouse;
3. a dependent of the member or of the member's spouse;
4. 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 dealings with the entity;
5. a company the member controls; or
6. a person prescribed as such by the *Corporations Regulations 2001* (Cth);

Company means Bod Australia Limited ACN 601 225 441;

Constitution means the constitution of the Company in effect at the time of the Meeting;

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

Directors means the directors of the Company as at the date of this Notice of Meeting, being David Baker, George Livery, Joanne Patterson, Akash Bedi, and Johannes Cappon;

Eligible Entity means an entity that, at the date of the relevant general meeting:

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

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security, and any security that ASX decides to classify as an Equity Security;

Explanatory Memorandum means this explanatory memorandum that accompanies and forms part of the Notice of Meeting;

Financial Report means the 30 June 2022 financial report of the Company, a copy of which was lodged with ASX on 30 August 2022 under the announcement "Appendix 4E and Full Year Statutory Accounts";

Key Management Personnel means those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise);

Long Term Incentive Plan means the plan approved by Shareholders on 22 November 2021;

Long Term Incentive Rights or LTIs means the Long Term Incentive Rights proposed to be issued to Joanne Patterson pursuant to Resolution 9;

Notice of Meeting means the notice of annual general meeting dated 27 October 2022 which this Explanatory Memorandum accompanies and in which the Resolutions are set out;

Ordinary Securities has the meaning set out in the ASX Listing Rules;

Proxy Form means a valid proxy form for this Annual General Meeting (unless the context otherwise requires);

Remuneration Report means the remuneration report of the Company for the year ended 30 June 2022 contained in the Financial Report;

Resolution or Resolutions means the resolutions referred to in the Notice of Meeting;

Share means a fully paid ordinary share in the Company;

Shareholder means a holder of Shares;

Special Resolution means a resolution requiring that at least 75% of the votes cast on the resolution are cast in favour of the resolution for it to be passed;

Spill Meeting has the meaning given in Resolution 1;

Spill Resolution has the meaning given in Resolution 1; and

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A.2.

ANNEXURE 1

SUMMARY OF THE RULES OF THE LONG-TERM INCENTIVE PLAN

1.1.1. Eligibility

The Board has the discretion to determine which Directors, key management personnel, employees, contractors, and consultants are eligible to participate in the LTIP.

1.1.2. Vesting conditions

The vesting of any securities issued under the LTIP, if any, may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to Participants in their individual personalised offer documents.

1.1.3. Exercise of securities

Vested securities issued under the LTIP will not automatically trigger the exercise of the securities, but a participant will be entitled to exercise in accordance with the terms contained in their individual personalised offer documents.

1.1.4. Price

Securities issued under the LTIP may be issued at no cost to the participants. Options, if offered, may be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in their individual personalised offer documents.

1.1.5. Lapse/forfeiture

Securities issued under the LTIP will lapse or be forfeited on the earliest of:

- (a) the date that the Board determines in its absolute discretion that the vesting conditions for Securities which have not yet vested have not or cannot be met by the relevant date;
- (b) the date that the Board determines in its absolute discretion that the exercise conditions for Securities which have vested have not or cannot be met by the relevant date;
- (c) the Board determining that the Participant materially breached the rules of the LTIP;
- (d) the insolvency of a participant;
- (e) the Board determining that the participant has acted fraudulently or dishonestly or has wilfully breached their obligations to any group company;
- (f) the Board determining that a participant is ineligible to hold the office for the purposes of Part 2D.6 of the Corporations Act, or is found to have acted in a manner that the Board considers to constitute gross misconduct; and
- (g) the date that is 15 years from the date the Securities are awarded under the LTIP,

as set out in the individual personalised offer documents.

1.1.6. Board may elect to settle in cash

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reasons to issue or transfer Shares upon satisfaction of its obligations under the plan, the Company may make a cash payment to the participant in accordance with the terms of the plan for equivalent value.

1.1.7. Waiving the restricted period

The Board may waive or shorten the restriction period applicable to securities issued under the LTIP to the participant in accordance with the terms of the LTIP.

1.1.8. Change of Control

On the occurrence of a Change of Control of the Company (as defined in the terms of the LTIP), or if in the Board's opinion a Change of Control will occur, the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the LTIP shall be dealt with.

1.1.9. Cessation of employment

Under the individual personalised offer documents, if a Participant ceases to provide services to the Company (or a related body corporate of the Company) prior to the vesting of any securities issued under the LTIP:

- (a) they will retain all their vested Awards; and
- (b) all their unvested Awards will be forfeited on a date determined by the Board, unless the Board provides express written consent that the Participant may retain any or all their unvested Awards. If the Board determines that the Participant may retain any or all their unvested Awards, those Awards will be subject to the terms and conditions that the Participant held those Awards prior to becoming a Leaver, or such other terms and conditions as the Board sees fit.

1.1.10. No dealing or hedging

Dealing restrictions apply to securities issued under the LTIP in accordance with the terms of the LTIP, the individual personalised offer documents and the Company's share trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested securities issued under the LTIP.

1.1.11. Rights attaching to Shares

Shares issued under the LTIP (upon exercise of vested securities issued under the LTIP) will be subject to any restrictions imposed under the terms of the LTIP and otherwise rank equally with the existing Shares on issue at the time of allotment or transfer.

1.1.12. Company may issue or acquire shares

The Company may, in its discretion, either issue new Shares or acquire Shares already on issue, or a combination of both, to satisfy the Company's obligations under the LTIP.

1.1.13. Adjustments

Prior to the allocation of Shares to an LTIP participant upon exercise of vested securities issued under the LTIP if the Company undergoes a reorganisation of capital, the terms of unvested securities will be changed to comply with the ASX Listing Rules. If the Company makes a pro rata bonus issue to Shareholders, the terms of any unexercised securities will change to entitle the participant to one Share plus the number of bonus Shares which would have been issued to the participant if the unexercised securities had been exercised prior to the bonus issue.

1.1.14. Limits on securities issued

The number of Shares that may be issued under the LTIP is set regarding the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus. Currently these limits provide that the number of Shares that may be issued, when aggregated with the number of Shares issued during the previous 3 years from Share issues under all employee share schemes established by the Company (including as a result of exercise of options to acquire Shares granted to the previous five years under any such executive share scheme), must not exceed 5% of the total number of Shares on issue, disregarding certain unregulated offers.

1.1.15. Loan funding

Pursuant to the terms of the LTIP, the Board will offer where the loan funded shares are instituted, employees an interest free limited recourse loan to assist in the purchase of Shares, with the Shares acquired at their market value. The loan will be limited recourse so that at any time (subject to any restrictions) the employee may divest their Shares in full satisfaction of the loan balance.

1.1.16. Continued operation of the plan

The LTIP may be suspended, terminated, or amended at any time by the Board, subject to any resolution of the Company required by the ASX Listing Rules.

ANNEXURE 2

**TERMS AND CONDITIONS OF LONG-TERM INCENTIVE RIGHTS TO BE ISSUED TO JOANNE
PATTERSON PURSUANT TO RESOLUTION 11**

1. The Long Term Incentive Rights (LTIs) may only be issued to a person (or their nominee) who is an Eligible Participant under the terms of the Long Term Incentive Plan.
2. Each LTI entitles the holder to one ordinary share in the Company subject to the satisfaction of any applicable vesting conditions.
3. The LTIs will have an exercise price of \$NIL.
4. The LTIs will have an expiry date of five years from the date on which they are issued.
5. LTIs are exercisable by notice in writing to the Board delivered to the registered office of the Company.
6. The Company will not apply to ASX for official quotation of the LTIs.
7. The Company will make application for official quotation on ASX of new shares allotted on exercise of the LTIs. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular, new shares allotted on exercise of the LTIs will qualify for dividends declared after the date of their allotment.
8. LTIs can only be transferred with Board approval, except that if at any time during the currency of the LTI the LTI holder dies, the legal personal representative of the deceased LTI holder may:
 - (a) elect to be registered as the new holder of the LTIs; and
 - (b) whether or not he or she becomes so registered, exercise those LTIs in accordance with the terms and conditions on which they were granted.
9. An LTI holder may only participate in new issues of securities to holders of ordinary shares in the Company if the LTI has been exercised and shares allotted in respect of the LTI before the record date for determining entitlements to the issue. The Company must give prior notice to the LTI holder of any new pro-rata or bonus issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
10. Subject to paragraph 12, an LTI does not confer the right to a change in exercise price or a change in the number of underlying securities over which the LTI can be exercised.
11. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the LTI is exercisable will be increased by the number of ordinary shares which the holder of the LTI would have received if the LTI had been exercised before the record date for the bonus issue.
12. If, during the currency of the LTI the issued capital of the Company is reorganised, the rights of an LTI holder will be amended to the extent necessary to comply with ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

ANNEXURE 3

**TERMS AND CONDITIONS OF OPTIONS TO BE ISSUED TO DIRECTORS PURSUANT TO
RESOLUTIONS 12 TO 15**

1. The Options may only be issued to a person (or their nominee) who is a Non-Executive Director on the date the options are granted.
2. Each Option entitles the holder to one ordinary share in the Company.
3. The Options will have an exercise price of 140% of the 10 day VWAP of the Company's shares for the period immediately preceding the date on which the options are issued.
4. The Options will vest on the earlier of one year after the issue date or a change of control event occurring in relation to the Company.
5. The Options will have an expiry date of three years from the date on which they are issued.
6. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per Option in cleared funds within seven days after the date of such notice.
7. The Company will not apply to ASX for official quotation of the Options.
8. The Company will make application for official quotation on ASX of new shares allotted on exercise of the Options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular, new shares allotted on exercise of the Options will qualify for dividends declared after the date of their allotment.
9. Options can only be transferred with Board approval, except if at any time during the currency of the Options the Option holder dies, the legal personal representative of the deceased Option holder may:
 - (a) elect to be registered as the new holder of the Options;
 - (b) whether or not he or she becomes so registered, exercise those Options in accordance with the terms and conditions on which they were granted; and
 - (c) if the deceased has already exercised Options, pay the exercise price in respect of those Options.
10. An Option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new pro-rata or bonus issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
11. Subject to paragraph 12, 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.
12. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the Option is exercisable will be increased by the number of ordinary shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
13. If, during the currency of the Options the issued capital of the Company is reorganised, the rights of an Option holder will be amended to the extent necessary to comply with ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

ANNEXURE 4

**TERMS AND CONDITIONS OF BROKER OPTIONS TO BE ISSUED TO DIRECTORS PURSUANT
TO RESOLUTION 7**

1. Each Option entitles the holder to one ordinary share in the Company.
2. The Options will have an exercise price of 150% of the Offer Price under the Placement and the Entitlement Offer of \$0.12.
3. The Options will have an expiry date of two years from the date on which they are issued.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per Option in cleared funds within seven days after the date of such notice.
5. The Company will not apply to ASX for official quotation of the Options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the Options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular, new shares allotted on exercise of the Options will qualify for dividends declared after the date of their allotment.
7. Options can only be transferred with Board approval.
8. An Option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new pro-rata or bonus issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
9. Subject to paragraph 11, 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.
10. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the Option is exercisable will be increased by the number of ordinary shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
11. If, during the currency of the Options the issued capital of the Company is reorganised, the rights of an Option holder will be amended to the extent necessary to comply with ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

ANNEXURE 4
SUMMARY OF S3 SERVICES AGREEMENT

The Company and S3 Consortium have entered into a services agreement on the following terms and conditions:

Services	The Company has engaged S3 Consortium to provide consulting services regarding digital marketing and sponsored content.
Term	The Agreement is for a term of 18 months.
Remuneration	In exchange for the services provided, the Company agreed to pay to S3 Consortium \$250,000 (contract value plus GST) to be paid via the issue of 3,125,000 shares by the Company to S3 Consortium. The GST component is to be settled in cash.
Intellectual Property	<p>(a) The Company grants to the S3 Consortium a royalty free licence to use and publish the Company's intellectual property for the purposes of performing the Services.</p> <p>(b) All intellectual property created by S3 Consortium in the provision of the Services belongs absolutely to and vests on creation in S3 Consortium.</p> <p>(c) For this purpose, "intellectual property" includes:</p> <ul style="list-style-type: none"> (i) all registered trademarks owned or used under licence agreement from time to time; (ii) all copyrights, other registered or unregistered trademarks or services marks, trade names, brand names, indications of source or appellations of origin, registered designs or commercial names or designations; (iii) all patents registered or unregistered; (iv) any other rights which result from the intellectual activity in the industrial, commercial, or agricultural fields and whether dealing with manufactured or natural products; and (v) any invention, discovery, trade secret, recipe, know-how, computer software, confidential, scientific, technical or product information.
Termination	<p>The Agreement shall terminate three calendar months after the end of the Contract Period. Where the services have not been delivered in the Contract Period, the Company may extend the Contract Period by three months to allow for the services to be provided.</p> <p>The agreement may be terminated by either party:</p> <ul style="list-style-type: none"> (a) in the event that the other party is in default of a term of this Agreement and that party fails to remedy the default within 14 days of being given notice of the alleged default; or (b) immediately if the other party is declared bankrupt, suffers an insolvency event or enters into a deed of arrangement with its creditors; or (c) by giving not less than 45 days written notice of termination.

The S3 Services Agreement otherwise contains provisions considered standard for an agreement of its nature.

ANNEXURE 5
SUMMARY OF TAYLOR COLLISON LIMITED AGREEMENT

The Company and Taylor Collison Limited have entered into an Agreement for Taylor Collison Limited to act as Lead Manager and Bookrunner for a proposed Capital Raising on the following terms and conditions:

Services	Taylor Collison Limited will be appointed as Lead Manager for the Capital Raising of up to approximately \$4 million. The Capital Raising is proposed to comprise an Entitlement Offer to eligible existing shareholders (Entitlement Offer) and a Placement of fully paid ordinary shares to sophisticated investors (Placement).
Conditions	<p>The Capital Raising is conditional upon:</p> <ol style="list-style-type: none"> 1. Australian Securities Exchange Limited (ASX) granting approval for quotation of the Placement Shares in accordance with the Timetable to be agreed between the Company and Taylor Collison Limited. 2. There being no material adverse change of circumstances or effect on the Company before 10.00am on the Settlement Date (as defined in the Timetable); and 3. The Company entering definitive transaction documentation for the Project Aqua acquisition.
Fees	<p>In return for services provided under this Agreement, Taylor Collison Limited will receive:</p> <ol style="list-style-type: none"> 1. A management fee of 2% plus GST of the gross proceeds raised under the Capital Raising; 2. A selling fee of 4% plus GST of the gross proceeds raised under the Placement and Shortfall Placement; and 3. 2 million options expiring two years from issue date and will be exercisable at a 50% premium to the Offer Price for the Capital Raising.
Termination	<p>The terms of the Agreement will have immediate effect and will remain in place until the earlier of:</p> <ol style="list-style-type: none"> 1. The Completion of the Capital Raising; and 2. 3 months after the date of the Agreement; <p>unless terminated earlier as provided for herein or by mutual written agreement.</p> <p>A party may terminate the Agreement with or without cause by giving written notice to the other parties, at any time prior to the signing of any binding offer letter in connection with the Capital Raising or before a 'firm commitment' offer has been extended to any investor by the Lead Manager to subscribe for any of the New Shares in connection with the Capital Raising.</p>

The Taylor Collison Limited Agreement otherwise contains provisions considered standard for an agreement of its nature.

LODGE YOUR VOTE



ONLINE

<https://investorcentre.linkgroup.com>



BY MAIL

Bod Australia Limited
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
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150; or
Level 12, 680 George Street, Sydney NSW 2000

*During business hours Monday to Friday



ALL ENQUIRIES TO

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

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **4:00pm (AEDST) on Saturday, 26 November 2022**, 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

<https://investorcentre.linkgroup.com>

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 <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

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

QR Code



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.

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

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Bod Australia Limited 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 Annual General Meeting of the Company to be held at **4:00pm (AEDST) on Monday, 28 November 2022 at Level 1, 377 New South Head Road Double Bay NSW 2028** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolution 1 and Resolutions 11 to 15 inclusive: 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 Resolution 1 and Resolutions 11 to 15 inclusive, 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*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval to issue Consideration Shares pursuant to the acquisition of Aqua Phase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director, Mr Akash Bedi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Issue of Long-Term Incentive Rights to Joanne Patterson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director, Mr David Baker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval to issue Options to Director – Mr David Baker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue of Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval to issue Options to Director – Mr George Livery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue of Placement Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Approval to issue Options to Director – Mr Akash Bedi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of prior issue of Consultant Shares under listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Approval to issue Options to Director – Mr Johannes Cappen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Ratification of prior issue of Broker options under listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Approval to change the Company's name to BOD Science Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval to issue Shares to Director – Mr David Baker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17 Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval to issue Shares to Director – Ms Joanne Patterson	<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)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

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).

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