

**Uscom Limited**

ABN 35 091 028 090

Level 7, 10 Loftus Street
Sydney NSW 2000 Australia

T +612 9247 4144 F +612 9247 8157

www.uscom.com.au

Notice of 2015 Annual General Meeting

Notice is hereby given that the 12th Annual General Meeting of members of Uscom Limited (the Company) will be held at 11:00am AEDT on Tuesday 24 November 2015 at Suite 1, Level 7, 10 Loftus Street, Sydney, NSW.

Business

Financial Statements and Reports

To receive and consider the Financial Report of the Company together with the reports of the Directors and the Auditor for the financial year ended 30 June 2015.

Resolution 1: Re-election of Director – Mr Christian Bernecker

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

That Christian Bernecker retires by rotation in accordance with Rule 6.4 of the Company's Constitution and, being eligible for re-election, be re-elected as a Non-Executive Director of the Company.

Resolution 2: Adoption of Remuneration Report for the Year Ended 30 June 2015

To consider and, if thought fit, pass the following as an advisory resolution of the Company:

That the Remuneration Report for the year ended 30 June 2015 (as set out in the Directors' Report) be adopted.

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

Resolution 3: Ratification of Private Placement of Shares and Options 23 July & 14 August 2015 – Thor Acquisition – Listing Rule 7.1

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

That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, the issue of 2,187,387 shares at an issue price of \$0.15 per share and 3,444,433 free attaching options on 23 July and 14 August 2015 to the persons identified, and on the terms described, in the Explanatory Statement which forms part of this Notice of Meeting, be approved.

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www.uscom.com.au**Resolution 4: Ratification of Private Placement of Shares
23 July 2015 – Thor Acquisition – Listing Rule 7.1A**

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

That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, the issue of 8,145,949 shares at an issue price of \$0.15 per share on 23 July 2015 to the persons identified, and on the terms described, in the Explanatory Statement which forms part of this Notice of Meeting, be approved.

Resolution 5: Ratification of issue of Shares – 31 July 2015

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

That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, the issue of 275,000 shares on 31 July 2015 to the persons identified, and on the terms described, in the Explanatory Statement which forms part of this Notice of Meeting, be approved.

Resolution 6: Ratification of issue of Shares and Options – 21 August 2015

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

That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, the issue of 2,666,667 shares at an issue price of \$0.15 per share and 888,889 free attaching options on 21 August 2015 to the persons identified, and on the terms described, in the Explanatory Statement which forms part of this Notice of Meeting, be approved.

Resolution 7: Additional Placement Capacity under Listing Rule 7.1A

To consider and, if thought fit, pass the following as a special resolution of the Company:

That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Statement, which forms part of this Notice of Meeting.



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VOTING EXCLUSIONS

Under the *Corporations Act 2001* (Cth) (**the Act**) and ASX Listing Rule 14.11 the following persons are excluded from voting, or their votes will be disregarded as set out below in respect of the relevant resolutions.

RESOLUTION	PERSONS EXCLUDED FROM VOTING/VOTES DISREGARDED
Resolution 2 – Remuneration Report	<ul style="list-style-type: none"> A member or a former member of key management personnel (KMP) as that term is defined in the <i>Corporations Act 2001</i> (Cth) whose remuneration details are disclosed in Uscom's 2015 Remuneration Report; or A closely related party of such a KMP (Closely Related Party), including close family members and companies the KMP controls.
Resolutions 3, 4, 5 & 6 – approval of issue of equity securities	<p>The Company will disregard any votes cast on each of these resolutions by any person who participated in the relevant issue and any associates of those persons.</p> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
Resolution 7 – Listing Rule 7.1A – placement capacity	<p>The Company will disregard any votes cast on this resolution by a person who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this resolution is passed, and any associates of those persons. At this point in time, there are no potential allottees to whom shares may be issued under this resolution.</p> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

A person may cast a vote on Resolution 2 if it is cast as proxy for a person who is entitled to vote and:

- (a) the proxy appointment is in writing and specifies how the proxy is to vote (for, against, abstain); or
- (b) the vote is cast by the person chairing the Meeting and;
 - the appointment does not specify how the proxy is to vote; and
 - the appointment expressly authorises the chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

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www.uscom.com.au**Voting on Resolution**

Subject to the following paragraph, section 250BD(1) of the Act prohibits a KMP or a Closely Related Party of a KMP (**Closely Related Party**) voting as a proxyholder on a resolution connected directly or indirectly with the remuneration of a KMP where the proxy appointment does not specify how the proxyholder is to vote on the resolution.

If a Shareholder appoints a KMP (which includes each of the Directors) or a Closely Related Party as proxy, the KMP or Closely Related Party will not be able to cast the Shareholder's Votes on Resolution 2 unless the Shareholder directs the KMP or the Closely Related Party how to vote or the Chairman of the Meeting is the Shareholder's proxy.

The Chairman of the Meeting will vote any undirected proxies in favour of all of the Resolutions set out in this Notice. If you appoint a proxy other than the Chairman, you are encouraged to direct your proxy how to vote on Resolutions 2 by marking either "For", "Against", or "Abstain" for that item.

If a shareholder appoints the Chairman of the Meeting as their proxy or the Chairman of the Meeting is appointed as the Shareholder's proxy by default, and the Shareholder does not mark a voting box for Resolution 2, then by signing and returning the proxy form the Shareholder will be expressly authorising the Chairman of the Meeting to exercise the proxy in respect of the relevant resolution even though the resolution is connected with the remuneration of KMP.

By order of the Board

Catherine Officer
Company Secretary
Sydney 23 October 2015

Explanatory Statement

This Explanatory Statement has been prepared to assist Shareholders of Uscom Limited (**Uscom** or **the Company**) to understand the business to be put to Shareholders at the Annual General Meeting (**Meeting** or **AGM**) of the Company to be held at 11:00am (AEDT) on Tuesday 24 November 2015.

All of the resolutions to be voted on, with the exception of Resolutions 2 and 7, are ordinary resolutions. Ordinary resolutions require a simple majority of votes cast by Shareholders present and entitled to vote on the resolution. Resolution 2, which relates to approval of the 2015 Remuneration Report, is an advisory resolution, further details of which are included below. Resolution 7 is a special resolution, which requires less than 25% of votes cast by Shareholders present and entitled to vote against the resolution.

Financial Statements and Reports

The Annual Report and the associated reports of the Directors and the Auditor for the financial year ended 30 June 2015 will be presented for consideration.

The 2015 Annual Report is available on the Company website <http://www.uscom.com.au>. Shareholders should note that the Financial Statements and Reports will be received in the form presented. It is not the purpose, and there is no requirement either in the *Corporations Act 2001* (Cth) (**the Act**) or in the Constitution of the Company for Shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report at the Meeting, or that the Financial Statements and Reports be accepted, rejected or modified in any way.

Resolution 1: Re-election of Director – Mr Christian Bernecker

In accordance with Rule 6.4 of the Company's Constitution, Mr Bernecker retires by rotation and, being eligible, offers himself for re-election.

Mr Bernecker was appointed as a non-executive Director of Uscom in November 2011. He is Executive Chairman of Stream Group Limited and has more than 10 years' broad investment experience across capital raisings, acquisitions and divestments. Mr Bernecker qualified as a Chartered Accountant in Australia and holds a Bachelor of Commerce from Ballarat University.

Directors' Recommendation

The Directors, with Christian Bernecker abstaining, recommend that Shareholders vote in favour of Resolution 1.

Resolution 2: Remuneration Report

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act. The Remuneration Report details the Company's policy on the remuneration of non-executive directors, executive directors and senior executives and is set out on page 17 of the 2015 Annual Report.

Resolution 2 provides Shareholders with the opportunity to vote on the Company's Remuneration Report. Under Section 250R(2) of the Act, the Company is required to put the adoption of its Remuneration Report to the vote at the Annual General Meeting and, under section 250SA of the Corporations Act, the Chairman must allow the Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. If 25% of the votes are cast against two consecutive annual resolutions for the purposes of section 250R(2), the Act requires a shareholder vote on whether to convene a special meeting at which all directors (other than the managing director) who were in office when the second section 250R(2) resolution was voted on, must stand for re-election.

The Remuneration Report:

- (a) explains the Board's policies in respect of the nature and level of remuneration paid to directors and senior management of the Company;
- (b) discusses the link between the Board's policies and the Company's performance;
- (c) explains why the performance conditions were chosen and how performance is measured against them;

- (d) sets out the remuneration details for each director and each member of the Company's senior management team; and
- (e) makes clear that the basis for remunerating non-executive directors is distinct from the basis for remunerating executives and executive directors.

The vote on the adoption of the Remuneration Report resolution is advisory only and does not bind the Directors or the Company.

Directors' Recommendation

As a matter of best practice corporate governance, the Directors abstain from making a recommendation in relation to Resolution 2.

Resolutions 3, 4, 5 & 6: Ratification of issues of equity securities under Listing Rules 7.1 & 7.1A – 23 July, 31 July, 14 August & 21 August 2015

Under Listing Rule 7.1, a company must obtain shareholder approval if it wants to issue more than 15% of its ordinary securities. ASX Listing Rule 7.4.2 provides that shareholders may approve an issue of securities after the fact so that the securities issued are regarded as having been issued with approval for the purpose of Listing Rule 7.1.

Under Listing Rule 7.1A a company may seek shareholder approval to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placement over a 12 month period. The Company obtained approval under Listing Rule 7.1A at its 2014 Annual General Meeting.

An issue of securities made with approval under Listing Rule 7.1A can be ratified by shareholders under Listing Rule 7.4. Ratification by shareholders would enable the Company to increase its "Variable A" when calculating its issuing capacity under Listing Rules 7.1 and 7.1A (if Resolution 7 is approved).

Accordingly, Resolutions 3, 4, 5 and 6 seek approval for the following issues of equity securities:

- 2,187,387 fully paid ordinary shares and 3,444,433 unquoted options issued within the 15% limit under Listing Rule 7.1 on 23 July and 14 August 2015;
- 8,145,949 fully paid ordinary shares issued under the Company's 10% additional capacity under Listing Rule 7.1A on 23 July 2015;
- 287,500 fully paid ordinary shares issued within the 15% limit under Listing Rule 7.1 on 31 July 2015; and
- 2,666,667 fully paid ordinary shares and 888,889 unquoted options issued within the 15% limit under Listing Rule 7.1 on 21 August 2015.

The Company is seeking approval for the purposes of ASX Listing Rule 7.4 to enable the Company to refresh its issuing capacity under Listing Rule 7.1 and increase its "Variable A" when calculating its issuing capacity under Listing Rules 7.1 and 7.1A – thereby providing the Company with the flexibility to issue further securities under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A (if Resolution 7 is approved) if the need arises in the next 12 months. For the purposes of ASX Listing Rule 7.5, the following information is provided in respect of the respective resolutions:

Resolution 3 – issue of Shares & unquoted options – Listing Rule 7.1 – 23 July & 14 August 2015

Issue Date	23 July & 14 August
Number of securities	2,187,387 fully paid ordinary shares 3,444,433 unquoted options
Issue price	\$0.15 per share, being an 18% discount to the VWAMP of \$0.183 over the previous 5 days on which UCM shares were traded prior to the issue One free attaching option issued for every 3 shares issued under the placement
Terms of issue	Shares rank equally with all existing Shares on issue 3,222,211 unquoted options issued on 23 July 2015: <ul style="list-style-type: none"> • issued for no consideration on the basis of 1 free attaching option for every 3 shares issued under the private placement to professional and sophisticated investors

	<ul style="list-style-type: none"> refer to Annexure A for detailed the terms of issue of the Options <p>222,222 unquoted options issued on 14 August 2015:</p> <ul style="list-style-type: none"> issued for no consideration on the basis of 1 free attaching option for every 3 shares issued under the private placement to Chesapeake Capital Limited refer to Annexure A for detailed the terms of issue of the Options
Allottees	Issued through a private placement to professional and sophisticated investors including clients of the Lead Manager Patersons Securities
Use of funds raised	Acquisition of Thor Laboratories KFT and working capital

Resolution 4 – issue of Shares – Listing Rule 7.1A - 23 July 2015

Issue Date	23 July 2015
Number of securities	8,145,949 fully paid ordinary shares
Issue price	\$0.15 per share, being an 18% discount to the VWAMP of \$0.183 over the previous 5 days on which UCM shares were traded prior to the issue
Terms of issue	Shares rank equally with all existing Shares on issue
Allottees	Issued through a private placement to professional and sophisticated investors including clients of the Lead Manager Patersons Securities
Use of funds raised	Acquisition of Thor Laboratories KFT and working capital

Resolution 5 – issue of shares 31 July 2015 – Listing Rule 7.1

Issue Date	31 July 2015
Number of securities	275,000 fully paid ordinary shares
Issue price	275,000 ordinary shares issued to Jeremy Glaros & Bellmont Securities for nil consideration in consideration of consulting services provided to the Company at an issue price of \$0.15 per share – total value \$41,250
Terms of issue	Shares rank equally with all existing Shares on issue
Allottees	200,000 ordinary shares – Jeremy Glaros 75,000 ordinary shares – Bellmont Securities
Use of funds raised	Glaros & Bellmont – not applicable

Resolution 6 – issue of shares & unquoted options – 21 August 2015 – Listing Rule 7.1

Issue Date	21 August 2015
Number of securities	2,666,667 fully paid ordinary shares 888,889 unquoted options
Issue price	<p>\$0.15 per share</p> <p>One free attaching option issued for every 3 shares issued under the Share Purchase Plan underwriting agreement</p>
Terms of issue	<p>Shares rank equally with all existing Shares on issue</p> <p>Unquoted options:</p> <ul style="list-style-type: none"> issued for no consideration on the basis of 1 attaching option for every 3 shares issued under the Share Purchase Plan underwriting agreement refer to Annexure A for the terms of issue of the Options
Allottee	Chesapeake Capital under Share Purchase Plan underwriting agreement – shortfall and top-up placement

Use of funds raised	Working capital

A Voting Exclusion Statement in respect of the relevant resolutions is set out on page 3 of this Notice.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 3, 4, 5 and 6.

Resolution 7: Additional Placement Capacity under Listing Rule 7.1A

ASX Listing Rule 7.1A enables small to mid-cap listed companies to seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placements over a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

A company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- a) it has a market capitalisation of \$300 million or less; and
- b) it is not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will also satisfy both these criteria at the date of the Meeting.

Accordingly, Resolution 7 seeks Shareholder approval by special resolution for the issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3, to such persons as the Board may determine, on the terms as described in this Explanatory Statement, which forms part of the Notice of Meeting.

At the date of this Notice, the Company has on issue 96,793,645 Shares. If Resolutions 3, 4, 5 and 6 are approved the Company will have the capacity to issue:

- (i) 14,519,046 equity securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval obtained under Resolution 7, 9,679,364 equity securities under ASX Listing Rule 7.1A.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The effect of Resolution 7 will be to allow the Directors to issue the equity securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Information required by ASX Listing Rule 7.3A

For the purposes of ASX Listing Rule 7.3A, the following information is provided:

- The minimum price at which the equity securities will be issued will be no less than 75% of the volume weighted average market price for securities in that class calculated over the 15 trading days on which trades are recorded immediately before:
 - a) the date on which the price at which the securities are to be issued is agreed; or
 - b) if the securities are not issued within five trading days of the date in paragraph (a), the date on which the shares are issued.
- If Resolution 7 is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this resolution, to the extent that such equity securities are issued; including:

- a) the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
- b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date, or the equity securities may be issued as part consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the equity securities.

- The following table gives examples of the potential dilution of existing ordinary shareholders on the basis of the current market price of shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

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

No. of Shares on Issue ¹	Dilution			
	Issue price (per Share)	\$0.0875 50% decrease in Issue Price	\$0.1750 Issue Price	\$0.35 100% increase in Issue Price
96,793,645 (Current)	Shares issued	9,679,364	9,679,364	9,679,364
	Funds raised	\$846,944.35	\$1,693,888.70	\$3,387,777.40
145,190,467 (50% increase)	Shares issued	14,519,046	14,519,046	14,519,046
	Funds raised	\$1,270,416.53	\$2,540,833.05	\$5,081,666.10
193,587,290 (100% increase)	Shares issued	19,358,729	19,358,729	19,358,729
	Funds raised	\$1,693,888.79	\$3,387,777.58	\$6,775,555.15

The table has been prepared on the following assumptions:

- (i) Resolutions 3, 4, 5 and 6 are approved.
 - (ii) The Company issues the maximum number of equity securities available under the 10% Placement Facility in Listing Rule 7.1A.
 - (iii) No options over ordinary shares are exercised before the date of issue of equity securities under Listing Rule 7.1A.
 - (iv) 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 Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity available under ASX Listing Rule 7.1.
 - (vi) The issue of equity securities under the 10% Placement Facility consists only of Shares.
 - (vii) The issue price is \$0.1750, being the closing price of the Shares on ASX on 15 October 2015.
- If any of the equity securities being approved by this resolution are issued, they will be issued during the Placement Period, that is, within 12 months of the date the AGM, i.e. by 24 November 2016, and the approval being sought by this resolution will cease to be valid if Shareholders approve a transaction under ASX Listing Rules 11.1.2 or 11.2 prior to 24 November 2016.
 - The equity securities will be issued for the purpose of raising working capital for the Company, which will be applied to meet the Company's strategy of integrating the business of Thor Laboratories KFT and establishing and consolidating new sales, distribution and licensing

¹ Variable "A" in Listing Rule 7.1A.2

opportunities for the Company's range of products for the benefit of all Shareholders. A proportion of the equity securities may be issued for non-cash consideration and in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

- The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities.
- The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of any equity securities that may be issued (subject to Shareholder approval of Resolution 7) have not been determined as at the date of this Notice, but may include existing Shareholders as well as new Shareholders who are not related parties or associates of the Company. Any potential allottees will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
 - the methods of raising funds that are available to the Company and balancing interest from potential allottees with the interests of existing Shareholders;
 - the effect of the issue of the equity securities on the control of the Company. Allocation will be subject to takeover thresholds;
 - the financial situation and solvency of the Company and its projected need for working capital at any given time; and
 - advice from corporate, financial and broking advisors (if applicable).

Previous Approval under ASX Listing Rule 7.1A

- The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2014 Annual General Meeting held on 26 November 2014.
- In the twelve months preceding the date of the proposed 2015 Annual General Meeting, the Company has issued 16,380,807 fully paid ordinary shares and 4,408,322 unquoted options (a total of 20,789,129 equity securities), which represents 24.88% of the total number of equity securities on issue at the commencement of the 12 month period (being 24 November 2014).
- 6,438,206 fully paid ordinary shares and 4,408,322 unquoted options (a total of 10,846,528 equity securities) were issued under Listing Rule 7.1. Shareholder approval is being sought for the issue of those securities under Resolutions 3, 5, and 6². Details of the relevant issues, including the disclosure required under Listing Rule 7.3A.6, is included in the commentary in relation to the relevant resolutions in this Explanatory Statement and below:
 - 1,520,720 fully paid ordinary shares were issued on 31 July 2015 at \$0.15 (nil discount to the closing market price of \$0.15). The issue raised \$228,108 which was used for the acquisition of Thor Laboratories KFT and working capital.
 - 666,667 fully paid ordinary shares were issued on 14 August 2015 at \$0.15 (nil discount to the closing market price of \$0.15). The issue raised \$100,000.05 which was used for the acquisition of Thor Laboratories KFT and working capital.
 - 287,500 fully paid ordinary shares were issued on 31 July 2015 at \$0.15 (nil discount to the closing market price of \$0.15). The issue raised \$743.75 which was merged with the Company's existing funds and used for working capital. 275,000 of the shares (value of \$41,250) were issued at nil consideration in consideration of consulting services provided to the Company.
 - 3,963,319 fully paid ordinary shares were issued on 21 August 2015 at \$0.15 (nil discount to the closing market price of \$0.15) under the Company's Share Purchase Plan. The issue raised \$594,497.85 which was merged with the Company's existing funds and used for working capital.
 - 3,222,211 unquoted options issued on 23 July 2015. They were issued for nil consideration on the basis of 1 free attaching option for every 3 shares issued under the private placement to professional and sophisticated investors. The options have an exercise price of \$0.25, expiry date 31 July 2017 and any ordinary shares issued upon exercise of options will rank equally with ordinary shares.

² Shareholder approval is not being sought for the issue of 75,000 unquoted options to Richard Scott under the Uscom Equity Incentive Plan or the issue of 12,500 fully paid ordinary shares (on exercise of employee options by Hagay Gilad).

- 222,222 unquoted options issued on 14 August 2015 for nil consideration on the basis of 1 free attaching option for every 3 shares issued under the private placement to Chesapeake Capital Limited. The options have an exercise price of \$0.25, expiry date 31 July 2017 and any ordinary shares issued upon exercise of options will rank equally with ordinary shares.
- 888,889 unquoted options issued on 21 August 2015 for no consideration on the basis of 1 attaching option for every 3 shares issued under the Share Purchase Plan underwriting agreement. The options have an exercise price of \$0.25, expiry date 31 July 2017 and any ordinary shares issued upon exercise of options will rank equally with ordinary shares.
- 8,145,949 fully paid ordinary shares were issued under Listing Rule 7.1A at \$0.15 (nil discount to the closing market price of \$0.15) on 23 July 2015. Shareholder approval is being sought for the issue of those Shares under Resolution 4, and details of that Share issue including the disclosure required under Listing Rule 7.3A.6 is included in the commentary in relation to Resolution 4 in this Explanatory Statement. The issue raised \$1,221,892.35 which was used for the acquisition of Thor Laboratories KFT and working capital.
- 1,296,652 Shares were issued to existing Shareholders at \$0.15 (nil discount to the closing market price of \$0.15) on 21 August 2015 in accordance with the terms and conditions of the Uscom Share Purchase Plan released to the market on 27 July 2015³. The issue raised \$194,497.80 which was merged with the Company's existing funds and used for working capital.
- 500,000 Shares were issued to Australian Cardiac Sonography Pty Limited, the trustee of the Rob Phillips Superannuation Fund, upon exercise of 500,000 options at \$0.0595 (45.77% discount to the closing market price of \$0.13), on 30 September 2015. The issue of those options to Dr Phillips, and the subsequent issue of any shares upon exercise of the options, was approved at the Company's annual general meeting on 7 November 2012. The issue raised \$29,750 which was merged with the Company's existing funds and used for working capital.
- The following equity securities were issued for nil consideration under the Uscom Equity Incentive Plan in the 12 months preceding the date of the proposed 2015 Annual General Meeting:

Employee	Date issued	Terms	No. of equity securities
Rob Phillips	27 November 2014	Indeterminate rights in respect of ordinary shares on a one for one basis*	5,409,902
Nick Schicht	27 November 2014	Performance rights in respect of ordinary shares on a one for one basis*	450,000
Richard Scott	3 December 2014	Unquoted options Exercise price \$0.17 Expiry 1 July 2018	75,000

***Note:** the indeterminate rights were issued to Dr Phillips pursuant to approval of Shareholders at the Annual General Meeting on 26 November 2014, on the terms and conditions set out in the Notice of Meeting for that AGM. The performance rights issued to Mr Schicht are subject to the same performance hurdles as those applying to Dr Phillips' indeterminate rights.

- Funds raised from the issues in the previous 12 months totalled \$2,174,992.00. As at 13 October 2015, the Company had total cash and cash equivalents of \$1,419,658. Funds expended during the 12 months have been primarily on the acquisition of Thor Laboratories KFT and ongoing working capital including the costs associated with the Thor acquisition and ongoing commercialisation of the Company's products USCOM 1A and BP+.
- A voting exclusion statement in respect of Resolution 7 is set out on page 3 this Notice. As of the date of this Notice, the Company has not approached any specific existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of shares. Therefore, no existing Shareholders' votes will be excluded be excluded from voting on Resolution 7.

Resolution 7 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders entitled to vote on resolution 7 must be in favour of the resolution.

³ The securities issued under the Share Purchase Plan were issued under exception 15 of Listing Rule 7.2 and do not require Shareholder approval.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

Proxies

For an appointment of a proxy to be effective, proxy forms must be lodged at the Company's Share Registry, Boardroom Pty Limited at:

Postal address:	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001
Fax number:	(02) 9290 9655

no later than 11:00am (Sydney time) on Sunday 22 November 2015. A proxy form is provided with this Notice.

The Board has determined the date and time when a person must be on the Company register of members to attend and vote at the meeting to be 7.00pm (Sydney time) on Sunday, 22 November 2015.

Sydney, 23 October 2015

ANNEXURE A

Complete Terms of Options

- a. Each Option entitles the holder to one share in the capital of the Company.
- b. The Options may be exercised at any time prior to 5.00pm (AEST) on 31 July 2017.
- c. The exercise price of the Options is 25 cents each.
- d. The Options will not be quoted on the ASX. The Company will apply for quotation of Shares issued upon exercise of Options.
- e. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be allotted and the identity of their proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share. The Company will process all relevant documents received at the end of every calendar month.
- f. All shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued shares.
- g. There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- h. If there is a bonus issue ("Bonus Issue") to Shareholders, the number of shares over which an Option is exercisable will be increased by the number of shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- i. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.



Uscom

USCOM LIMITED

ABN 35 091 028 090

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:**
www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (Sydney time) on Sunday, 22 November 2015.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am (Sydney time) on Sunday, 22 November 2015.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Uscom Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Suite 1, Level 7, 10 Loftus Street, Sydney NSW 2000 Tuesday, 24 November 2015 at 11am (Sydney time) (the Meeting)** and at any adjournment of that Meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 2, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 2 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 2). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Re-election of Mr Christian Bernecker as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Private Placement of Shares and Options 23 July & 14 August 2015 – Thor Acquisition – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Private Placement of Shares 23 July – Thor Acquisition – Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of issue of Shares – 31 July 2015	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of issue of Shares and Options – 21 August 2015	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Additional Placement Capacity under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2015