UUV AQUABOTIX LTD
ACN 616 062 072

CONCESSIONAL INCENTIVE OPTION PLAN CASHLESS EXERCISE AND LOAN TERMS

1. DEFINITIONS

All definitions in this document have same meaning as in UUV Aquabotix Ltd's Concessional Incentive Option Plan (**ESOP**).

2. CASHLESS EXERCISE OF OPTIONS

Provided a Participant complies with the ESOP in relation to an exercise of vested Options, such Participant (or their personal legal representative where applicable) may, subject to the terms of any Offer, elect to exercise such vested Options by way of a 'cashless exercise'. Where a Participant makes such an election, rather than the Participant being required to pay the Option Exercise Price for each Option to be exercised, the Company will issue the Participant with a smaller number of Shares on the exercise of the Options representing the difference between the value of the Shares to be issued and the Option Exercise Price. Where the Options are exercised by a 'cashless exercise', the Company will only issue such number of Shares as is equivalent to the number of Options being exercised multiplied by the excess of the average Share price over the Option Exercise Price divided by the average Share price and then rounded down to a whole number of Shares.

3. LOAN

3.1 Grant of Loan

The Company will, at the request of a Participant, grant a Loan to a Participant for the purpose of paying that Participant's Option Exercise Price in accordance with this section.

3.2 Offer

Where the Company grants a Loan to a Participant to pay that Participant's Option Exercise Price, the Offer for the Options must include:

(i) the maximum amount of the Loan (which must not exceed the Option Exercise Price in respect of the Options offered under the Offer); and

(ii) the Loan Repayment Date.

3.3 Loan

Where a Participant lodges an Acceptance Form agreeing to a Loan, and the Company accepts that Acceptance Form:

(i) a loan agreement is deemed to arise between the Company and the Participant on the terms and conditions in this section;

(ii) the Company is deemed to loan the amount agreed in the Acceptance Form (**Loan Amount**) to the Participant at the time the Company issues the Shares on exercise of the Options to the Participant; and

(iii) the Participant is deemed to direct the Company to apply the entire Loan Amount towards paying the Option Exercise Price (in full or in part) in respect of the Options being exercised by the Participant.

3.4 Interest

A Loan will be interest free unless the Company and the Participant agree otherwise. The Company shall be responsible for any Fringe Benefits Tax, or any other tax liability which may accrue to the Participant, which arises from the interest arrangements for the Loan.

3.5 Cash Dividends

A Participant is deemed to have irrevocably directed the Company to apply any cash dividends in respect of Shares which are issued on the exercise of Options offered under this Plan and which are held by the Participant to repayment of any outstanding Loan Amount under the Participant's Loan. Any surplus of cash dividends after repayment of the Loan will be paid to the Participant.

3.6 Repayment

(i) A Loan is repayable in full on the Loan Repayment Date specified in the Offer unless earlier repayment is otherwise required under the Plan.

(ii) A Participant may repay all or part of its Loan to the Company at any time prior to the Loan Repayment Date.

(iii) The Company shall have a lien over the Shares issued on exercise of the Options offered under this Plan and in respect of which a Loan Amount is outstanding and the Company shall be entitled to sell those Shares in the event the Participant does not repay the Loan by the Repayment Date.

(iv) A Loan shall be repayable in full where:

(A) the Participant suffers any insolvency event whatsoever; or

(B) the Participant breaches any condition of the Loan or the Plan.

(v) A Participant may not transfer, assign, encumber or otherwise deal with a Share issued on exercise of an Option issued under this Plan until the Loan Amount in respect of the Option Exercise Price for that Option has been fully repaid or otherwise forgiven in accordance with this Plan. The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares issued on exercise of an Option issued under this Plan for as long as the Loan Amount remains unpaid and the Participant agrees to:

(A) execute an ASX restriction agreement in relation to the Shares for the required period;

(B) the Company lodging the share certificates for Shares (where issuer sponsored) with a bank or recognised trustee to hold until the Loan Amount has been repaid by the Participant or forgiven by the Company (at which time the Company shall arrange for the share certificates to be provided to the Participant); and

(C) the application of a holding lock over Shares until the Loan Amount has been repaid by the Participant or forgiven by the Company (at which time the Company shall arrange for the holding lock to be removed).

3.7 Limited Recourse Loan

A Loan will be non-recourse except against the Shares issued on exercise of Options issued under this Plan and which are held by the Participant to which the Loan relates.

3.8 Discretion to forgive Loan

The Board may, in its absolute discretion, agree to forgive a Loan granted to a Participant under this Plan. The Company shall be responsible for any Fringe Benefits Tax, or any other tax liability which may accrue to the Eligible Participant, which arises directly from such a loan forgiveness.