

A Q U A B O T I X

UUV Aquabotix Ltd

ACN 616 062 072

Notice of 2019 Annual General Meeting

Explanatory notes

Proxy form

Time: 10:00am

Date: Friday, 31 May 2019

Place: Sundaraj & Ker, Level 36, 264 George Street
Sydney NSW 2000

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Details of the Meeting

The 2019 Annual General Meeting (**Meeting**) will be held at 10:00am (Sydney time) on Friday, 31 May 2019 at Sundaraj & Ker, Level 36, 264 George Street, Sydney NSW 2000.

Important voting information

The business of the Meeting affects your shareholding and your vote is important. To vote in person, attend the Meeting on the date and at the place set out above. To vote by proxy, please complete and sign the enclosed proxy form and either:

1. deliver the proxy form:
 - (a) by hand to:
Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138; or
 - (b) by post to:
UUV Aquabotix Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235; or
2. by facsimile to +61 2 9287 0309; or
3. lodge online at www.linkmarketservices.com.au instructions as follows:
select Investor & Employee Login and enter UUV Aquabotix Ltd or the ASX code UUV in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click Login. Select the Voting tab and then follow the prompts. You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website.

If you wish to appoint a proxy to vote for you at the Meeting, your proxy form must be received not later than 48 hours before the commencement of the Meeting. Proxy forms received later than this time will be invalid.

There may be restrictions on how your proxy can vote on certain resolutions to be considered at the Meeting. Further details of when these restrictions apply, and what you can do to ensure that your proxy can vote as you intend, are set out in the section of this document headed Voting Exclusions.

The Chair intends to vote all proxies given to the Chair in favour of the resolutions in Items 2 to 6 inclusive.

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 7:00pm (Sydney time) on Wednesday, 29 May 2019.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders of UUV Aquabotix Ltd ACN 616 062 072 will be held at 10:00am (Sydney time) on Friday, 31 May 2019 at Sundaraj & Ker, Level 36, 264 George Street, Sydney NSW 2000.

The explanatory notes to this notice of meeting provide additional information on matters to be considered at the Meeting. The explanatory notes form part of this notice. Some terms and abbreviations used in this notice of meeting and the explanatory notes are defined at the end of the explanatory notes in the section headed Glossary.

Items of business

1. Financial report, directors' report and auditor's report

To receive and to consider the financial report, the directors' report and the auditor's report for the financial year ended 31 December 2018.

Note: this item of business is for discussion only and is not a resolution. However, shareholders will be given a reasonable opportunity at the meeting to ask questions or make comments about each of these reports.

2. Adoption of remuneration report

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

"That, for the purposes of section 250R(2) of the Corporations Act, the Company's remuneration report for the year ended 31 December 2018 be adopted."

Notes: the vote on this resolution is advisory only and does not bind the Directors or the Company. A voting exclusion applies to this resolution – see Voting Exclusions below.

3. Re-election of Peter James as Director

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

"That Peter James, a Director who retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election, is re-elected as a Director of the Company."

4. Approval of capacity to issue securities under Listing Rule 7.1A

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

"That, for the purposes of 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 issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms out in the explanatory notes which accompany and form part of this notice of meeting."

Note: a voting exclusion applies to this resolution – see Voting Exclusions below.

5. Approval of issue of shares to Robert Clisdell in lieu of fees

To consider and, if thought fit, to pass, 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 to Robert Clisdell (or his nominee) the number of Shares determined in accordance with the formula set out in the explanatory notes which accompany and form part of

this notice of meeting and on the terms and conditions set out in those explanatory notes.”

Note: a voting exclusion applies to this resolution – see Voting Exclusions below.

6. Approval of issue of shares to Peter James as Director in lieu of fees

To consider and, if thought fit, to pass, 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 to Peter James (or his nominee) the number of Shares determined in accordance with the formula set out in the explanatory notes which accompany and form part of this notice of meeting and on the terms and conditions set out in the those explanatory notes.”

Note: a voting exclusion applies to this resolution – see Voting Exclusions below.

Dated: 1 May 2019

By order of the Board

Jonathan Swain
Company Secretary

Voting exclusions

Item 2 – Adoption of remuneration report

In accordance with the Corporations Act, votes on Item 2 may not be cast in any capacity by or on behalf of a member of the Company's Key Management Personnel (**KMP**) whose remuneration details are included in the remuneration report for the year ended 31 December 2018 or any of that person's Closely Related Parties unless:

- the vote is cast by such a person as a proxy for a person who is entitled to vote on Item 2 and in accordance with a direction on the proxy form specifying the way the proxy is to vote on the resolution; or
- the vote is cast by the Chair as a proxy for a person who is entitled to vote on Item 2 and the proxy form expressly authorises the Chairman to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on Item 2. If you appoint the Chair as your proxy, and you do not direct your proxy how to vote on Item 2, you will be expressly authorising the Chair to exercise the proxy even though the resolution is connected with the remuneration of members of the KMP.

Item 4 – Approval of capacity to issue securities under Listing Rule 7.1A

As required by the Listing Rules, the Company will disregard any votes cast in favour of Item 4 by or on behalf of:

- each 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); or
- an Associate of any of those persons.

However, the Company will not disregard a vote if:

- 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 the Chair 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.

Item 5 – Approval of issue of shares to Robert Clisdell in lieu of fees

As required by the Listing Rules, the Company will disregard any votes cast in favour of Item 5 by or on behalf of:

- Robert Clisdell (or his nominee); or
- an Associate of those persons.

However, the Company will not disregard a vote if:

- 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 the Chair 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.

Item 6 - Approval of issue of shares to Peter James in lieu of fees

As required by the Listing Rules, the Company will disregard any votes cast in favour of Item 6 by or on behalf of:

- Peter James (or his nominee); or
- an Associate of those persons.

However, the Company will not disregard a vote if:

- 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 the Chair 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.

Explanatory notes

These explanatory notes have been prepared for shareholders in connection with the business to be conducted at the Annual General Meeting (**Meeting**) to be held at 10:00am (Sydney time) on Friday, 31 May 2019 at Sundaraj & Ker, Level 36, 264 George Street, Sydney, NSW.

These notes provide information which the Directors believe to be material to shareholders in deciding how to vote on the Resolutions to be put to the Meeting.

If you are in any doubt about what to do in relation to this document or about how to vote on the resolutions to be put to the Meeting, you should seek advice from an accountant, solicitor or other professional advisor.

Item 1 – Financial report, directors’ report and auditor’s report

As required by the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2018 together with the director’s report, the remuneration report and the auditor’s report. These reports are all included in the Company’s Annual Report, which was lodged with the ASX on 28 February 2019.

The Company is no longer required to send a copy of the Annual Report to shareholders unless shareholders specifically elect to receive a copy. A copy of the Company’s Annual Report is available from the Company’s website at <https://wcsecure.weblink.com.au/pdf/UUV/02081389.pdf>.

No resolution is required for this item, but shareholders will be given the opportunity to ask questions and to make comments on the reports. In addition, the Company’s auditor, Gary Sherwood of RSM Australia will be present at the Meeting and shareholders will have an opportunity to ask questions of the auditor in relation to the conduct of the audit and the content of the financial report and auditor’s report.

Item 2 – Adoption of remuneration report

Section 250R of the Corporations Act requires a listed company to put a resolution to shareholders to adopt its remuneration report for the relevant financial year. The Company’s remuneration report for the financial year ended 31 December 2018 can be found at pages 23 to 39 of the Company’s Annual Report.

The remuneration report explains the Board’s policies in relation to the nature and level of remuneration paid to the Company’s Key Management Personnel (including the Company’s Chief Executive Officer and Non-Executive Directors). The vote on the remuneration report is advisory only and does not bind the Directors or the Company. However, under the Corporations Act:

- if at least 25% of the votes cast at any AGM on a resolution to adopt the remuneration report are cast against the adoption of the remuneration report, the Company’s next remuneration report must explain the Board’s proposed action in response or explain why no action has been taken; and
- if, at the AGM in the following year, at least 25% of the votes cast on a resolution to adopt the remuneration report are cast against the adoption of the remuneration report, a resolution must be put to the shareholders (**Spill Resolution**) that another meeting be held within 90 days at which all the Directors who were directors when the resolution to approve the Directors’ report for that year was passed, excluding any managing director, would need to stand for re-election (**Spill Meeting**).

Board recommendation

The Board recommends that shareholders vote **in favour** of this Item.

Item 3 – Re-election of Director

Re-election of Director retiring by rotation

The Company’s Constitution requires that one third (or if that is not a whole number, the nearest whole

number) of the Company's Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period of in excess of three years or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. The Directors to retire at an annual general meeting are those who have been the longest in office since their last election. Where two or more Directors have served equally the longest, the retiring Director is determined either amongst the Directors, or by drawing lots.

Peter James was elected as a Director of the Company on 9 March 2017 and has served as a Director and Chairman of the Company since that date. Mr James is required to retire under the provisions described above and seeks re-election at this Meeting.

Mr James has over 30 years' experience in the technology, telecommunications and media industries, and has extensive experience as Chair, Non-Executive Director and Chief Executive Officer across a range of publicly listed and private companies.

Board recommendation

The Board recommends that shareholders vote **in favour** of this Item.

Item 4 – Approval of capacity to issue securities under Listing Rule 7.1A

Under ASX Listing Rule 7.1A, certain companies may by special resolution passed at an annual general meeting approve the issue of equity securities which:

- are in the same class as an existing quoted class of equity securities of the Company; and
- do not exceed 10% of the existing ordinary share capital,

without further shareholder approval. The ability of the Company to issue securities under Listing Rule 7.1A is in addition to its 15% placement capacity under ASX Listing Rule 7.1.

Approval under this resolution is sought for the Company to issue equity securities under Listing Rule 7.1A. If this resolution is approved the Company may make an issue of equity securities under Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- the date which is 12 months after the date of the Meeting; or
- the date on which shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), in which case the approval under this Item 4 will cease to be valid pursuant to ASX Listing Rule 7.3A.3

or such longer period if allowed by the ASX.

In accordance with Listing Rule 7.3A.3, the approval under Listing Rule 7.1A will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

At the date of this notice of meeting, the Company is an "eligible entity", and is therefore able to seek approval under Listing Rule 7.1A, as it is not included in the S&P/ASX300 and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million). If at the time of the Meeting the Company is no longer an eligible entity then this resolution will be withdrawn.

The maximum number of equity securities which may be issued in the capital of the Company under the approval sought by this resolution will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

where:

- A** is the number of shares on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;

- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of the holders of shares under ASX Listing Rules 7.1 or 7.4 (this does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval); and
- (iv) less the number of fully paid shares cancelled in the 12 months.

D is 10%.

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The effect of the resolution being passed will be to allow the Company to issue equity securities under Listing Rule 7.1A without using the Company's 15% placement capacity under Listing Rule 7.1.

As at 27 March 2019, the Company has on issue 162,468,795 ordinary shares and therefore has capacity to issue:

- 24,370,319 equity securities under Listing Rule 7.1; and
- subject to shareholder approval being sought under this resolution, 16,246,879 equity securities under Listing Rule 7.1A.

The issue price of the equity securities issued under Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the equity securities the subject of this Resolution will be issued is 75% of the volume weighted average market price (**VWAP**) of the Company's equity securities over the 15 days on which trades in that class were recorded immediately before either:

- the date on which the price at which the equity securities are to be issued is agreed; or
- if the equity securities are not issued within 5 ASX trading days of the date above, the date on which the securities are issued.

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing shareholders' voting power in the Company will be diluted. There is a risk that:

- the market price for the Company's equity securities may be significantly lower on the issue date than on the date of the approval of this Resolution; and
- the equity securities issued under Listing Rule 7.1A may be issued at a price that is at a discount (as described above) to the market price for the Company's equity securities on the issue date,

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

The table set out below shows the dilution of existing shareholders on the basis of:

- the market price of the Company's ordinary shares and the number of ordinary securities as at 28 March 2019;
- two examples where the number of ordinary shares on issue (**A**) has increased, by 50% and 100%. This may occur as a result of issues of ordinary shares that do not require shareholder approval (for example, pro-rata entitlements issues) or as a result of future specific placements under Listing Rule 7.1 that are approved by shareholders; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the market price as at 28 March 2019.

Variable A for Listing Rule 7.1A.2		\$0.01 - 50% decrease in issue price	\$0.02 - issue price*	\$0.04 – 100% increase in issue price
A is the number of shares on issue, being 162,468,795 shares**	10% voting dilution	16,246,879	16,246,879	16,246,879
	Funds raised	162,468	324,937	649,875
A is a 50% increase in shares on issue, being 243,703,192 shares**	10% voting dilution	24,370,319	24,370,319	24,370,319
	Funds raised	243,703	487,406	974,812
A is a 100% increase in shares on issue, being 324,937,590 shares**	10% voting dilution	32,493,759	32,493,759	32,493,759
	Funds raised	324,937	649,875	1,299,750

Notes:

- (i) The table assumes that the Company issues the maximum number of equity securities available under Listing Rule 7.1A.
 - (ii) The table assumes that no options are exercised into ordinary shares before the date of the issue of equity securities under Listing Rule 7.1A.
 - (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
 - (iv) The table shows the effect of an issue of equity securities under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1.
 - (v) The issue of equity securities under Listing Rule 7.1A consists only of ordinary shares. If the issue of equity securities includes options, it is assumed that those options are exercised into ordinary shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- * Based on the closing price of the Company's Shares on ASX on 8 April 2019 of \$0.017 rounded up to the nearest cent.
- ** Based on the Company's Share structure as at 8 April 2019.

If this Resolution is approved the Company will have the ability to issue up to 10% of its issued capital without further shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the equity securities which will be determined at the time of issue. In some circumstances, the Company may issue equity securities under Listing Rule 7.1A for non-cash consideration (for example, in lieu of cash payments to consultants, suppliers or vendors). While the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A, some of the purposes for which the Company may issue equity securities under Listing Rule 7.1A include (but are not limited to):

- raising funds to further develop the Company's business;
- raising funds to be applied to the Company's working capital requirements;

- acquiring assets. In these circumstances, the issue of the ordinary shares may be made in substitution for the Company making a cash payment for the assets. If the Company elects to issue ordinary shares for the purpose of acquiring assets then the Company will release to the market a valuation of the assets prior to issuing the shares; and
- paying service providers or consultants of the Company.

Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time the issue is made. The identity of the allottees of equity securities under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:

- the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company;
- the potential effect on the control of the Company;
- the Company's financial situation and the likely future capital requirements; and
- advice from the Company's corporate or financial advisors.

Offers made under Listing Rule 7.1A may be made to parties including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

The allocation policy the Company may adopt for a particular issue of equity securities under Listing Rule 7.1A and the terms on which those equity securities may be offered will depend upon the circumstances existing at the time of the proposed capital raising under Listing Rule 7.1A. Subject to the requirements of the Listing Rules and the Corporations Act, the Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

The Company has previously sought Shareholder approval under Listing Rule 7.1A and the following information is therefore provided for the purposes of Listing Rule 7.3A.6.

In the 12 months preceding the date of the meeting, the Company has issued 27,468,794 equity securities which in aggregate represent 20% of the total number of equity securities on issue at the commencement of that 12 month period, being 135,000,001. Details of each issue are set out below:

Date of issue	Number and class of securities issued	Recipients of the issue	Issue price	Discount to closing price on issue date	Cash or non-cash consideration for issue and use of funds
18 July 2018	10,000,000	Eagle's View Capital Partners LP	Issue price of \$0.05 per share	28.57% to the closing price of \$0.07	\$500,000 cash consideration for working capital, bidding and proposals for new contracts, costs in relation to promoting and developing products, and product development.
18 July 2018	6,000,000	Eagle's View Diversified Opportunities Fund LP	Issue price of \$0.05 per share	28.57% to the closing price of \$0.07	\$300,000 cash consideration for working capital, bidding and proposals for new contracts, costs in relation to promoting and developing products, and product

					development.
18 July 2018	2,666,660	Eagle's View Offshore Fund Ltd Class B	Issue price of \$0.05 per share	28.57% to the closing price of \$0.07	\$133,333 cash consideration for working capital, bidding and proposals for new contracts, costs in relation to promoting and developing products, and product development.
18 July 2018	1,333,340	Eagle's View Offshore Fund Ltd Class E	Issue price of \$0.05 per share	28.57% to the closing price of \$0.07	\$66,667 cash consideration for working capital, bidding and proposals for new contracts, costs in relation to promoting and developing products, and product development.
21 December 2018	4,000,000	Bergen Global Opportunity Fund LP	Issue price of \$0.05 per share	No discount to the closing price of \$0.04	\$200,000 cash consideration for working capital, bidding and proposals for new contracts, costs in relation to promoting and developing products, and product development.
21 December 2018	1,000,000	Peter James	Issue price of \$0.05 per share	No discount to the closing price of \$0.04	\$50,000 cash consideration for working capital, bidding and proposals for new contracts, costs in relation to promoting and developing products, and product development.
27 March 2019	2,468,794	Eligible shareholders	Issue price of \$0.03 per share	No discount to the closing price of \$0.02	\$74,063 cash consideration used to undertake research and development activities, sales and marketing, pay the expenses of the Entitlement Issue, and for the Company's working capital requirements.

Of the 27,468,794 ordinary shares issued in the 12 months preceding the date of this notice of meeting, 20,000,000 ordinary shares were issued under the Company's placement capacity under Listing Rule 7.1 but were ratified under Listing Rule 7.4 at an Extraordinary General Meeting held on 11 December 2018. 5,000,000 ordinary shares were issued with shareholder approval under Listing Rule 10.11 at an Extraordinary General Meeting held on 11 December 2018 and therefore under exception 14 of Listing Rule 7.2. The remaining 2,468,794 ordinary shares were issued under exception 1 of Listing Rule 7.2.

This Resolution is a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

Board recommendation

The Board recommends that shareholders vote **in favour** of this Item.

Item 5 – Approval of issue of shares to Robert Clisdell in lieu of fees

General

The Company has agreed, subject to obtaining Shareholder approval, to issue to Robert Clisdell (or his nominee) the number of Shares determined in accordance with the formula set out below in lieu of fees of \$45,833.33 payable to Mr Clisdell in respect of the 10 month period from 1 September 2018 to 30 June 2019 and which have not been paid. This reflects Mr Clisdell's desire to assist the Company conserve as much cash as possible.

If Shareholder approval is obtained, Mr Clisdell intends to enter into a voluntary escrow deed under which the Shares issued to him under this resolution will be subject to a 12-month escrow.

The number of Shares to be issued to Mr Clisdell will be calculated by dividing the amount of cash fees foregone by the volume weighted average price of the Company's shares on ASX over the 10 Business Days up to and including the date of the AGM (**VWAP**), rounded down to the nearest whole number of Shares.

The following table sets out:

- the number of Shares that would be issued to Mr Clisdell based on three different VWAP values; and
- the percentage of the total Shares on issue that these Shares would represent following the Rights Issue assuming various percentages of take up under the Rights Issue and based on the other assumptions set out below:

VWAP	Number of Shares	% of total Shares if 35% take up under Rights Issue	% of total Shares if 70% take up under Rights Issue	% of total Shares if 100% take up under Rights Issue
\$0.020	2,291,666	1.00%	0.80%	0.69%
\$0.010	4,583,333	1.94%	1.57%	1.34%
\$0.005	9,166,666	3.63%	2.96%	2.56%

The percentages in columns 3 to 5 above are based on the Company's issued capital as at the date of this notice of 162,468,795 Shares, and assuming that resolution 6 is approved and Shares are issued to Mr James in accordance with that resolution and that none of the 28,500,000 options currently on issue are exercised.

Chapter 2E of the Corporations Act

The issue of these Shares constitutes giving a financial benefit and Robert Clisdell is a related party of the Company by virtue of being a Director. Chapter 2E of the Corporations Act provides that, for a public company to give a financial benefit to a related party of the public company, the public company must obtain the approval of members unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act. These exceptions include where the financial benefit is given on terms that would be reasonable in the circumstances if the public company and the related party were dealing at arm's length, and where the financial benefit is remuneration to the related party as an officer of the public company and the giving of such remuneration is reasonable given the circumstances of the public company and the related party's circumstances (including the responsibilities involved in the office).

The Company considers that approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares to Robert Clisdell because:

- the issue of the Shares will be made in lieu of \$45,833.33 fees payable to Mr Clisdell in his capacity as Director of the Company for the 10 month period from 1 September 2018 to 30 June 2019;

- the cash amount of these fees is considered to be reasonable remuneration in the circumstances and was negotiated on an arm's length basis; and
- the price at which Shares are issued to compensate Mr Clisdell for the cash fees foregone is determined by reference to the price at which Shares are traded on the ASX. Using a market valuation for the Shares ensures that the benefit received by Mr Clisdell as a result of the issue of these Shares is directly referable to the cash amount foregone and is itself reasonable remuneration.

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 related party, unless an exception in ASX Listing Rule 10.12 applies.

The Company considers that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. As such, Shareholder approval pursuant to ASX Listing Rule 10.11 is required.

In accordance with ASX Listing Rule 10.13, the following information is provided:

- (a) the Shares will be issued to Robert Clisdell (or his nominee);
- (b) the formula for calculating the number of Shares to be issued to Mr Clisdell (or his nominee) is set out above;
- (c) the Shares will be issued no later than one month after the date of the Meeting;
- (d) the Shares will be issued in lieu of director's fees of \$45,833.33 payable to Mr Clisdell for the 10 month period from 1 September 2018 to 30 June 2019. The deemed issue price is the volume weighted average price of the Company's Shares on ASX over the 10 Business Days up to and including the date of the AGM;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) since the Shares will be issued in lieu of director's fees, no funds will be raised by the issue of the Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Robert Clisdell (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Board recommendation

The Board (other than Robert Clisdell) recommends that shareholders vote **in favour** of this Item.

Item 6 – Approval of issue of shares to Peter James in lieu of fees

General

The Company has agreed, subject to obtaining Shareholder approval, to issue to Peter James (or his nominee) the number of Shares determined in accordance with the formula set out below in lieu of fees of \$119,166.67 payable to Mr James in respect of the 13 month period from 1 June 2018 to 30 June 2019 and which have not been paid. This reflects Mr James' desire to assist the Company conserve as much cash as possible.

If Shareholder approval is obtained, Mr James intends to enter into a voluntary escrow deed under which the Shares issued to him under this resolution will be subject to a 12-month escrow.

The number of Shares to be issued to Mr James will be calculated by dividing the amount of cash fees foregone by the volume weighted average price of the Company's shares on ASX over the 10 Business Days up to and including the date of the AGM (**VWAP**), rounded down to the nearest whole number of Shares.

The following table sets out:

- the number of Shares that would be issued to Mr James based on three different VWAP values; and
- the percentage of the total Shares on issue that these Shares would represent following the Rights Issue assuming various percentages of take up under the Rights Issue and based on the other assumptions set out below:

VWAP	Number of Shares	% of total Shares if 35% take up under Rights Issue	% of total Shares if 70% take up under Rights Issue	% of total Shares if 100% take up under Rights Issue
\$0.020	5,958,333	2.62%	2.09%	1.79%
\$0.010	11,916,667	5.05%	4.07%	3.49%
\$0.005	23,833,334	9.45%	7.71%	6.66%

The percentages in columns 3 to 5 above are based on the Company's issued capital as at the date of this notice of 162,468,795 Shares, and assuming that resolution 5 is approved and Shares are issued to Mr Clisdell in accordance with that resolution and that none of the 28,500,000 options currently on issue are exercised.

Chapter 2E of the Corporations Act

The issue of these Shares constitutes giving a financial benefit and Peter James is a related party of the Company by virtue of being a Director. Chapter 2E of the Corporations Act provides that, for a public company to give a financial benefit to a related party of the public company, the public company must obtain the approval of members unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act. These exceptions include where the financial benefit is given on terms that would be reasonable in the circumstances if the public company and the related party were dealing at arm's length, and where the financial benefit is remuneration to the related party as an officer of the public company and the giving of such remuneration is reasonable given the circumstances of the public company and the related party's circumstances (including the responsibilities involved in the office).

The Company considers that approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares to Peter James because:

- the issue of the Shares will be made in lieu of \$119,166.67 fees payable to Mr James in his capacity as Director of the Company for the 13 month period from 1 June 2018 to 30 June 2019;
- the cash amount of these fees is considered to be reasonable remuneration in the circumstances and was negotiated on an arm's length basis; and
- the price at which Shares are issued to compensate Mr James for the cash fees foregone is determined by reference to the price at which Shares are traded on the ASX. Using a market valuation for the Shares ensures that the benefit received by Mr James as a result of the issue of these Shares is directly referable to the cash amount foregone and is itself reasonable remuneration.

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 related party, unless an exception in ASX Listing Rule 10.12 applies.

The Company considers that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. As such, Shareholder approval pursuant to ASX Listing Rule 10.11 is required.

In accordance with ASX Listing Rule 10.13, the following information is provided:

- (a) the Shares will be issued to Peter James (or his nominee);

- (b) the formula for calculating the number of Shares to be issued to Mr James (or his nominee) is set out above;
- (c) the Shares will be issued no later than one month after the date of the Meeting;
- (d) the Shares will be issued in lieu of director's fees of \$119,166.67 payable to Mr James for the 13 month period from 1 June 2018 to 30 June 2019. The deemed issue price for the Shares is the volume weighted average price of the Company's Shares on ASX over the 10 Business Days up to and including the date of the AGM;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) since the Shares will be issued in lieu of director's fees, no funds will be raised by the issue of the Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Peter James (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1

Board recommendation

The Board (other than Peter James) recommends that shareholders vote **in favour** of this Item.

Enquiries

Shareholders are asked to contact Mr Jonathan Swain, Company Secretary, on (+61 2) 8880 5130 if they have any queries in respect of the matters set out in these documents.

Glossary

Annual Report means the 2018 Annual Report to Shareholders for the period ended 31 December 2018 as lodged by the Company with ASX on 28 February 2019.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Board means the current board of Directors of the Company.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means UUV Aquabotix Ltd ACN 616 062 072.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Dollar or “\$” means Australian dollars.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

KMP means key management personnel of the Company

Meeting means the annual general meeting convened by this notice of meeting.

Notice of Meeting means this notice of annual general meeting dated 1 May 2019 including the Explanatory Statement.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the Remuneration Report a copy of which is included in the Annual Report.

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

Rights Issue means, as at the date of this Notice of Meeting, the rights issue announced by the Company on 23 April 2019 and 26 April 2019, and expected to be undertaken at a ratio of 1 for 1 and at an issue price of \$0.006 per Share. However, it should be noted that the terms of the Rights Issue may change. Any change to the terms will be announced to the market.

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

Shareholder means a holder of a Share.

Spill Meeting means the meeting of shareholders that will be convened within 90 days of the Meeting if the Spill Resolution is put to the Meeting and passed.

Spill Resolution means the resolution to be put to Shareholders at the Meeting if more than 25% of votes cast on the resolution to adopt the Remuneration Report at the Meeting are against that resolution.

VWAP when used in the explanatory notes for item 4 has the meaning given on page 9 and when used in the explanatory notes for items 5 and 6 has the meaning given on pages 13 and 14.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

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



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

APPOINT A PROXY



the Chairman of the Meeting (mark box)

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



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am on Friday, 31 May 2019 at Sundaraj & Ker, Level 36, 264 George Street, Sydney NSW 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Item 2: 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 Item 2, even though the Item is 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 ☒

Items

For Against Abstain*

For Against Abstain*

2 Adoption of remuneration report

☐	☐	☐
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6 Approval of issue of shares to Peter James as Director in lieu of fees

☐	☐	☐
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3 Re-election of Peter James as Director

☐	☐	☐
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4 Approval of capacity to issue securities under Listing Rule 7.1A

☐	☐	☐
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5 Approval of issue of shares to Robert Clisdell in lieu of fees

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Item is 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:

- (a) 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
- (b) return both forms together.

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Wednesday, 29 May 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

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

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



COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**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.**