
CLEANSUBSEA LIMITED

ACN 120 233 490

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:30 am (WST)
DATE: Friday, 29 January 2021
PLACE: 20 Sparks Road
Henderson WA 6166

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 3:00pm (WST) on 27 January 2021.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS – YEAR ENDED 30 JUNE 2020

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 including the declaration of the Directors, the Directors' report and the auditor's report.

2. RESOLUTION 1 – RE-ELECTION OF DIRECTOR – CAPTAIN WALTER PURIO

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

"That, for the purpose of clause 10.3(c) of the Company's Constitution and for all other purposes, Captain Walter Purio, a Director, retires by rotation, and being eligible, is re-elected as a Director."

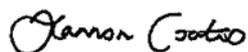
3. RESOLUTION 2 – REPLACEMENT OF CONSTITUTION

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

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form of the document tabled at the Meeting and signed by the chairman of the Meeting for identification purposes, with effect from the close of the Meeting".

Dated: 6 January 2021

By order of the Board



Shannon Coates
Company Secretary

Voting in person

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 1587.

EXPLANATORY STATEMENT

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

FINANCIAL STATEMENTS – YEAR ENDED 30 JUNE 2020

The first item of the Notice deals with the consolidated annual financial report of the Company for the financial year ended 30 June 2020 together with the Directors' declaration, the Directors' report and the auditor's report. Shareholders may obtain a copy of these documents by contacting the Company Secretary on +61 8 9322 1587. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

1. RESOLUTION 1 – RE-ELECTION OF DIRECTOR – CAPTAIN WALTER PURIO

Captain Walter Purio, having served as a director since 13 July 2018, retires by rotation in accordance with clause 10.3 of the Company's Constitution, and being eligible, offers himself for re-election.

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

Captain Walter Purio

Captain Walter P. Purio is the managing director of P and H Marine Australasia Pty Ltd and currently assists oil and gas companies in Australia to develop their strategies to provide LNG as a marine fuel to the Australasian region. He acts as CEO of the LNG Marine Fuel Institute and serves as a non-executive director to Pelican Clean Energy Pty Ltd which provides marine expertise, insight and advice to government, resource and oil and gas companies as they explore the potential to develop an LNG as a marine fuel industry in the Southern Hemisphere.

Captain Purio is a seasoned maritime industry executive who has worked across several marine disciplines including commercial shipping, marine finance, marine compliance, naval operations, offshoring, mining and support to the oil and gas industry and holds a BS degree from the U.S. Merchant Marine Academy and MBA's from the University of Chicago and the Katholieke Universiteit Leuven, Belgium and is a Graduate of the Australian Institute of Company Directors.

Directors' Recommendation

The Directors (other than Captain Purio) recommend Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 – REPLACEMENT OF CONSTITUTION

General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 2 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is in a format suitable for a public company proposing to list on the ASX and reflects the current provisions of the Corporations Act and ASX Listing Rules. Given the current Constitution was approved by Shareholders in 2016, the Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution, rather than to amend a multitude of specific provisions. This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2016.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including updating the name of the Company to that adopted in 2017. The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below at Section 3.2.

A copy of the Proposed Constitution can be sent to Shareholders upon request to the Company Secretary (+61 9322 1587). Shareholders are invited to contact the Company if they have any queries or concerns.

Summary of material proposed changes

(a) **Restricted Securities (article 2.7)**

ASX introduced a number of changes to the escrow regime in the Listing Rules in December 2019 to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient for issuers and for ASX.

Amongst these, ASX introduced a two-tier escrow regime where ASX can and will require certain more significant holders of Restricted Securities (as defined by the Listing Rules) and their controllers to execute a formal escrow agreement in the form of Appendix 9A. However, for less significant holdings, ASX instead permits entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of Restricted Securities and to simply give a notice to the holder of Restricted Securities in the form of an Appendix 9C advising them of those restrictions.

Under article 2.7 of the Proposed Constitution, holders of Restricted Securities will be taken to have agreed in writing that those Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the applicable escrow period. Holders of Restricted Securities will also not be entitled to participate in any return of capital on those Securities during the applicable escrow period, except as permitted by the Listing Rules or ASX.

(a) **Direct Voting (article 6.15)**

The Proposed Constitution includes a provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. A 'direct vote' includes a vote delivered to the Company by post, fax or other electronic means approved by Directors. The Directors may prescribe rules to govern direct voting including specifications as to the form, method and timing of giving the direct vote in order for the vote to be valid, and the treatment of direct votes.

(b) **Partial (proportional) takeover provisions (article 4.9 and Schedule 5)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This article of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the article.

Information required by section 648G of the Corporations Act

(i) Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(ii) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(iii) Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

- (iv) Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (A) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (B) assisting in preventing Shareholders from being locked in as a minority;
- (C) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (D) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (A) proportional takeover bids may be discouraged;
- (E) lost opportunity to sell a portion of their Shares at a premium; and
- (F) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 2.

GLOSSARY

\$ means Australian dollars.

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

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Company means CleanSubSea Limited (ACN 120 233 490).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Meeting means the annual general meeting convened by the Notice.

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

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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