



Probiotec Limited

ACN 075 170 151

Notice of Annual General Meeting of the Company

to be held at:

Date: Thursday 23 November 2017

Time: 11.00 am AEDT

Place: 83 Cherry Lane

Laverton North VIC 3026

This is an important document

If you are in any doubt about how to deal with this document, please consult your legal, financial or other professional adviser.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Probiotec Limited will be held at 11.00 am AEDT on Thursday 23 November 2017 at 83 Cherry Lane, Laverton North VIC 3026.

Ordinary Business

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2017.

2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following non-binding ordinary resolution:

“That the Remuneration Report for the year ended 30 June 2017 be adopted.”

3. RESOLUTION 2: RE-ELECTION OF DIRECTOR –GEOFFREY PEARCE

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

“That Mr Geoffrey Pearce, who retires as a Director by rotation in accordance with clause 13.5 of the Constitution and ASX Listing Rule 14.4, and, in accordance with clause 13.6 of the Constitution, being, eligible, offers himself for re-election, be re-elected as a Director of the Company.”

4. RESOLUTION 3: ELECTION OF DIRECTOR – MR GREG LAN

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

“That Mr Greg Lan, who was appointed a Director in accordance with clause 13.9 of the Constitution and ASX Listing Rule 14.4, and, in accordance with clause 13.9 of the Constitution, being eligible, offers himself for election, be elected as a Director of the Company.”

4. RESOLUTION 4: ELECTION OF DIRECTOR – MR ALEXANDER BEARD

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

“That Mr Alexander Beard, who was nominated as a Director in accordance with clause 13.7 of the Constitution, and, in accordance with clause 13.11 of the Constitution, being eligible, offers himself for election, be elected as a Director of the Company.”

Special Business

5. RESOLUTION 5: SUBSEQUENT APPROVAL OF AN ISSUE OF ORDINARY SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and all other purposes, approval be given for the issue of 7,900,000 fully paid ordinary shares at a price of \$0.5072 per Share as part payment of the acquisition of 100% of the shares in of South Pack Laboratories (Aust) Pty Ltd (as summarised in Explanatory Notes to this Notice of Meeting).”

6. RESOLUTION 6: APPROVAL OF PROBIOTIC EXECUTIVE OPTION PLAN

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

“That, for the purpose of Exception 9 to ASX Listing Rule 7.2 and for all other purposes, approval be given for the Company under the Probiotec Executive Option Plan (as summarised in Annexure 1 to this Notice of Meeting) to grant options and issue fully paid ordinary shares on the exercise of those options to eligible participants.”

7. RESOLUTION 7: GRANT OF OPTIONS TO THE CHIEF EXECUTIVE OFFICER, MR WESLEY STRINGER

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

“That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval be given for the Company under the Probiotec Executive Option Plan (as summarised in the Annexure 1 to this Notice of Meeting) to grant 1,000,000 options and issue 1,000,000 fully paid ordinary shares on exercise of those options to the Chief Executive Officer, Mr Wesley Stringer.”

By order of the Board

Jared Stringer
Company Secretary
12 October 2017

Notes

Additional materials

The following materials accompany this Notice of Meeting:

- the Explanatory Notes which set out information relevant to each item;
- Annexure 1 which summarises the Probiotec Executive Option Plan; and
- a Proxy Form.

Defined terms

Unless otherwise defined, capitalised terms used in this Notice of Meeting have the same meanings as set out in the Glossary of Terms in the Explanatory Notes.

Voting

In accordance with section 249HA of the Corporations Act for each resolution to be effective:

- not less than 28 days written notice specifying the intention to propose the resolutions has been given; and
- each resolution must be passed by more than 50% of all the votes cast by members entitled to vote on the resolutions (whether in person or by proxy, attorney or representative).

Subject to the voting exclusions set out in the Explanatory Notes, on a show of hands every member has one vote and, on a poll, every Shareholder has one vote for each ordinary share held.

Persons entitled to vote

In accordance with regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Meeting will be as it appears in the Company's register of members at 7.00pm AEDT on Tuesday 21 November 2017.

Corporate representatives

A member that is a body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at the Meeting. The appointment may be a standing one.

Appointment of proxy

The following apply in relation to proxies:

- A member who is entitled to attend and vote at this Meeting may appoint any person as his or her proxy to attend and vote for the member at the Meeting.
- A proxy need not be a member of the Company.
- If a member is entitled to cast two or more votes at the Meeting, the member may appoint two proxies to attend the same Meeting. If two proxies are appointed and the appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the member's votes.
- The appointment of the proxy may specify the proportion or number of votes that the proxy may exercise.

- If a proxy is given by a body corporate, a Proxy Form must be executed in writing under the common seal of the corporation or otherwise in accordance with section 127 of the Corporations Act or signed by an attorney.
- If a proxy is given by a natural person, a Proxy Form must be executed under the hand of that person or that person's attorney.
- To be effective, the Proxy Form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the Meeting or any adjourned Meeting.

by hand to: Level 12, 225 George Street, Sydney NSW 2000

by post to: GPO Box 3993, Sydney NSW 2001

by fax to: +61 2 9290 9655

or online at: www.votingonline.com.au/probiotecagm2017

- Any Proxy Form received after this deadline (including at the Meeting) will be treated as invalid.
- A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction.
- If a Shareholder appoints the Chairperson of the Meeting as the Shareholder's proxy and does not specify how the Chairperson is to vote, the Chairperson will vote, as proxy for that Shareholder, in favour of / against each resolution as set out in the Explanatory Notes.

EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of Shareholders in connection with the Annual General Meeting of the Company to be held at 11.00 am AEDT on Thursday 23 November 2017 at 83 Cherry Lane, Laverton North VIC 3026. These Explanatory Notes form part of the Notice of Meeting and should be read carefully by members prior to the Meeting.

Ordinary Business

1 FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be laid before the AGM. While this item of business does not require Shareholders approval, Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports. Written questions must be submitted no later than five business days before the AGM and the answers will be available at and after the Meeting.

Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report. The Company will also pass any written questions on to the Auditor prior to the AGM. The Auditor may, but is not obligated to, answer any written or oral questions that are put by Shareholders.

2 RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report is included within the Directors' Report in the Annual Report. It sets out a range of matters relating to the remuneration of Directors and executives of the Company.

In accordance with section 250R(2) of the Corporations Act, the Company is required to put the remuneration report to a vote by members at the AGM. However, the vote on the resolution is advisory only and does not bind the Directors or the Company. During this item of business, there will be an opportunity for Shareholders to ask questions about, and comment on, the Remuneration Report.

The Board will consider the outcome of the vote and comments made by Shareholders at the Meeting in respect of the Remuneration Report when it reviews the Company's remuneration policies.

Recommendation

The Directors unanimously recommend that you vote in favour of Resolution 1.

Voting exclusion statement

In accordance with section 250R(4) of the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of any member of Key Management Personnel and their closely related parties (except a KMP and that KMP's closely related parties whose remuneration is not included in the Remuneration Report) unless the vote is cast:

- as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form; or
- by the Chairperson of the Meeting as proxy for a person entitled to vote in accordance with an express authority to vote undirected proxies as the Chairperson sees fit even if the resolution is connected directly or indirectly with the remuneration of a KMP.

Proxies

The Chairperson of the Meeting intends to vote all undirected proxies in favour of Resolution 1.

3 RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR GEOFFREY PEARCE

The Constitution and the ASX Listing Rules require retirement of Directors by rotation. Clause 13.5 of the Constitution requires that one third (or the number nearest but not exceeding one-third) of the Directors (excluding the Managing Director and any Director appointed during the year to fill a casual vacancy or as an addition to the Directors) retire at each annual general meeting of the Company. Any Director who retires in accordance with Clause 13.5 is eligible for re-election at the Annual General Meeting.

ASX Listing Rule 14.4 also provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment, or 3 years, whichever is longer. This rule does not apply to the managing director.

Currently there are three Directors who are subject to the rotation provisions. Therefore, one of those three Directors (excluding the Managing Director), being Mr Geoffrey Pearce, who has been longest in office since his last election, retires in accordance with clause 13.5, and, in accordance with clause 13.5 of the Constitution, being eligible, offers himself for re-election.

Mr Pearce is a Melbourne based entrepreneur with over three decades of business experience.

In the early 1980's Mr Pearce established Pearce Pharmaceuticals, a trading company in raw materials for the drug and veterinarian industries as well as packaging for the cosmetics and beauty industry.

Mr Pearce expanded this business in the 1980's and 1990's to create and own Scental Pacific Pty Ltd, a full service contract manufacturer servicing the bath, body and beauty industry. He grew this business to a turnover of over \$25 million and in excess of 150 staff. In 1996 Mr Pearce sold Scental Pacific Pty Ltd to the Smorgon family while retaining and expanding his Pearce Pharmaceuticals trading business into The Continental Group. In 2002, Mr Pearce re-established himself as a contract manufacturer in the bath and beauty industry with the acquisition of a small factory. In 2010, he renamed that business as Beautiworx. In 2014, Mr Pearce sold Beautiworx into a company where he was one of the two major shareholders, CEO of the manufacturing arm and a director on the Board. This company, BWX Limited, was successfully listed on the ASX in 2015 with a current market capitalisation of over \$400 million being a Brand business vertically integrated with manufacturing and distribution.

Concurrently with creating Scental and Beautiworx, Mr Pearce expanded The Continental Group into a B2B trading enterprise with a number of divisions. These divisions include import/wholesaling raw materials for the pharmaceutical and cosmetic industry, cosmetic and pharmaceutical packaging, and the production and export of roto-molded cooler boxes globally.

Mr Pearce joined the board of Probiotec Limited in November 2016.

Recommendation

The Directors (other than Mr Pearce) recommend that you vote in favour of Resolution 2.

Proxies

The Chairperson of the Meeting intends to vote all undirected proxies in favour of Resolution 2.

4 RESOLUTION 3: ELECTION OF DIRECTOR – MR GREG LAN

Clause 13.9 of the Constitution provides that the Directors have the power at any time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Clause 13.9 of the Constitution and ASX Listing Rule 14.4 provides that a Director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the company. Mr Greg Lan was appointed to a casual vacancy on 15 February 2017.

Accordingly, Mr Lan, in accordance with clause 13.9 of the Constitution being eligible, offers himself for election.

Mr Lan was the founding managing director of Sydney-based pharmaceutical company Aspen Pharmacare Australia, a subsidiary of South African listed Aspen Pharmacare Holdings. The company commenced operations in Australia in 2001 with a small basket of products acquired from a multinational. Mr Lan later also took on the responsibility for the expansion of Aspen's business into the Asia-Pacific region, including setting up subsidiaries in Japan, China and a number of Asian countries. Aspen Australia experienced exponential growth, particularly after the acquisition of Sigma's branded and generics portfolio in 2011 (as well as its manufacturing facilities), and is today one of Australia's largest pharmaceutical companies, with a diverse portfolio of over 260 products covering prescription and OTC.

When Mr Lan retired last year after 15 years with the company, Aspen's Asia Pacific operations (including Australia) had annualised sales in excess of \$1 billion.

Prior to joining Aspen, Mr Lan has had extensive experience working in the pharmaceutical industry internationally, including senior roles with Ciba-Geigy (now Novartis) in Switzerland and Saudi Arabia, as well as with Sanofi-Aventis in Australia. Mr Lan holds an MBA from the University of Michigan.

Recommendation

The Directors (other than Mr Lan) recommend that you vote in favour of Resolution 3.

Proxies

The Chairperson of the Meeting intends to vote all undirected proxies in favour of Resolution 3.

5 RESOLUTION 4: ELECTION OF DIRECTOR – MR ALEXANDER BEARD

Clause 13.11 of the Constitution provides that the members have the power to appoint any person to be a Director so long as the appointment would not result in the maximum number of directors allowable under the Constitution being exceeded. Clause 13.7 of the Constitution states that a person (other than a director who retires by rotation) is not eligible to be

appointed as a director at a general meeting unless notice of nomination of the person to be a director is given to the Company 30 business days before the general meeting. The nomination must state the person is to be nominated and must include written consent of the person to be a director. Mr Beard has provided a written consent to act and has met the applicable notice requirements.

Accordingly, Mr Beard, in accordance with clause 13.11 of the Constitution being eligible, offers himself for election.

Alexander (Sandy) Beard is the Chief Executive Officer of CVC Limited, an ASX Listed investment company with a market capitalisation of approximately \$250 million. CVC has a wide range of investments including direct private equity, listed investments, property investments and funds management.

Mr Beard has been a director of numerous public companies over the past 15 years and is currently a director of the ASX listed Eildon Capital Limited. He brings extensive experience with investee businesses, both in providing advice and in direct management roles. Mr Beard has played an important roles in delivering value to shareholders over the past 20 years across a broad spectrum of industries and stages of company growth.

Recommendation

The Directors recommend that you vote in favour of Resolution 4.

Proxies

The Chairperson of the Meeting intends to vote all undirected proxies in favour of Resolution 4.

6 RESOLUTION 5: SUBSEQUENT APPROVAL OF AN ISSUE OF ORDINARY SHARES

Resolution 5 seeks Shareholder approval for the Company to have issued 7,900,000 fully paid ordinary shares at a price of \$0.5072 per share as part payment of the acquisition of 100% of the shares in South Pack Laboratories (Aust) Pty Ltd (SPL).

The acquisition by the Company of SPL was announced by the Company on 20 September 2017 and completed on 3 October 2017. SPL is a leading nutraceutical and pharmaceutical contract packer that has been established for over 15 years. The Company expects the total consideration for the acquisition to be between \$11.3 million and \$13.3 million depending on the achievement of the earn-out hurdle. The total consideration represents a valuation multiple of between 4 and 5 times EBITDA, based on the prior 12 months performance of the business.

No funds were raised from the issue of the shares, but rather, the 7,900,000 fully paid ordinary shares were issued as part payment of the acquisition of SPL. They were issued at a volume weighted average price for 30 days prior to 20 September 2017 and rank equally with other ordinary Shares. The shares were issued to each of the vendors of SPL in proportion to their shareholdings in SPL as at the date on which completion of the acquisition occurred. 50% of those shares were issued to an entity associated with the CEO of SPL, and these shares will be subject to escrow with half released after 1 year and the balance released after 2 years, subject to certain conditions.

The issue of these 7,900,000 Shares represents 13.0% of the total number of shares on issue (on an undiluted basis) as at the date of this Notice of Meeting.

Shareholder approval for the acquisition is being sought under ASX Listing Rule 7.4 so that the shares issued as part of the acquisition are treated as having been made with Shareholder approval for the purposes of ASX Listing Rule 7.1. Accordingly, if this resolution is approved by Shareholders, the issue of the shares will be excluded from the calculation of the maximum number of new shares that can be issued by the Company pursuant to ASX Listing Rule 7.1 in any 12 month period (currently 15% of shares previously on issue).

Recommendation

The Directors (other than any Director who participated in the issue) recommend that you vote in favour of Resolution 5.

Voting exclusion statement

In accordance with ASX Listing Rule 7.5, the Company will disregard any votes cast on Resolution 5 by any person who participated in the issue and any of their associates. However, the Company need 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 Chairperson 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.

Additionally, in accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 5 by a member of the Company's Key Management Personnel and their closely related parties unless the vote is cast:

- as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form; or
- by the Chairperson of the Meeting as proxy for a person entitled to vote, in accordance with an express authority to vote undirected proxies as the Chairperson sees fit even if the resolution is connected directly or indirectly with the remuneration of a KMP.

Proxies

Subject to the above, the Chairperson of the Meeting intends to vote all available proxies in favour of Resolution 5.

7 RESOLUTION 6: APPROVAL OF PROBIOTIC EXECUTIVE OPTION PLAN

Resolution 6 seeks Shareholder approval for the Company under the Probiotec Executive Option Plan to grant options and issue fully paid ordinary shares on exercise of those options to eligible participants.

The Plan is summarised in the Annexure 1 to this Notice of Meeting.

Shareholder approval for the Plan is being sought under Exception 9 to ASX Listing Rule 7.2 so the Company is not required to seek Shareholder approval for the issue of shares under the Plan for the purposes of ASX Listing Rule 7.1. Accordingly, if this resolution is approved by Shareholders, the issue of shares under the Plan will be excluded from the calculation of the maximum number of new shares that can be issued by the Company pursuant to ASX

Listing Rule 7.1 in any 12 month period (currently 15% of shares previously on issue) for a period of three years from the date of approval.

Recommendation

The Directors (other than Directors eligible to participate in the Plan) recommend that you vote in favour of Resolution 6.

Voting exclusion statement

In accordance with Exception 9 to ASX Listing Rule 7.2, the Company will disregard any votes cast on Resolution 6 by the Directors (except those Directors ineligible to participate in the Plan) and any of their associates. However, the Company need 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 Chairperson 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.

Additionally, in accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 5 by a member of the Company's Key Management Personnel and their closely related parties unless the vote is cast:

- as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form; or
- by the Chairperson of the Meeting as proxy for a person entitled to vote, in accordance with an express authority to vote undirected proxies as the Chairperson sees fit even if the resolution is connected directly or indirectly with the remuneration of a KMP.

Proxies

Subject to the above, the Chairperson of the Meeting intends to vote all available proxies in favour of Resolution 6.

8 RESOLUTION 7: GRANT OF OPTIONS TO THE CHIEF EXECUTIVE OFFICER, MR WESLEY STRINGER

Resolution 7 seeks Shareholder approval for the Company under the Probiotec Executive Option Plan to grant 1,000,000 options and issue 1,000,000 fully paid ordinary shares on exercise of those options to the Chief Executive Officer, Mr Wesley Stringer. Mr Stringer was appointed CEO, commencing 1 July 2015.

The Plan is summarised in the Annexure 1 to this Notice of Meeting.

Pursuant to the Plan and subject to the Shareholder approval sought by this resolution, the Company proposes to issue Mr Stringer with 1,000,000 options. Each option, once vested and exercised, entitles Mr Stringer to acquire one fully paid ordinary share in the Company. Therefore, pursuant to this resolution, Mr Stringer could acquire a maximum of 1,000,000 fully paid ordinary shares in the Company. No payment is required to be made by Mr Stringer for the issue of the options and the Company is not making any loan to Mr Stringer in relation to the issue of the options.

If Shareholders approve this resolution, the options will be issued to Mr Stringer shortly after the AGM and in any event no later than 12 months after the date of the AGM. The options will vest and become capable of being exercised by Mr Stringer on the first anniversary of

the date that the options are issued to him, provided that he remains employed as the CEO at that date. To exercise his options after vesting, Mr Stringer must pay the exercise price per option to the Company, which will be 25% above the 30-day (prior to the date of issue of the options) volume weighted average price of the Company's fully paid ordinary shares. If Mr Stringer does not exercise his options by the third anniversary of their issue date, the options will expire and will not be capable of exercise.

As approval from Shareholders is being sought under ASX Listing Rule 10.14, under Exception 14 to ASX Listing Rule 7.2 the Company is not required to seek Shareholder approval for the issue of shares for the purposes of ASX Listing Rule 7.1. Accordingly, if this resolution is approved by Shareholders, the issue of ordinary shares to Mr Stringer pursuant to his exercise of the options will be excluded from the calculation of the maximum number of new shares that can be issued by the Company pursuant to ASX Listing Rule 7.1 in any 12 month period (currently 15% of shares previously on issue).

Recommendation

The Directors (other than Mr Wesley Stringer) recommend that you vote in favour of Resolution 7.

Voting exclusion statement

In accordance with ASX Listing Rule 10.14, the Company will disregard any votes cast on Resolution 7 by Mr Wesley Stringer and any of his associates. However, the Company need 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 Chairperson 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.

Additionally, in accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 7 by a member of the Company's Key Management Personnel and their closely related parties unless the vote is cast:

- as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form; or
- by the Chairperson of the Meeting as proxy for a person entitled to vote, in accordance with an express authority to vote undirected proxies as the Chairperson sees fit even if the resolution is connected directly or indirectly with the remuneration of a KMP.

Proxies

Subject to the above, the Chairperson of the Meeting intends to vote all available proxies in favour of Resolution 7.

Glossary of Terms

In the Notice and these Explanatory Notes:

AGM	means the Annual General Meeting of the Company to be held at 11.00 am AEDT on Thursday 23 November 2017 at 83 Cherry Lane, Laverton North VIC 3026.
Annual Report	means the annual report of the Company for the financial year ended 30 June 2017.
ASX	means ASX Limited.
Auditor	means the auditor of the Company.
Auditor's Report	means the report of the Auditor in the Financial Report.
Board	means the board of Directors of the Company.
CEO	means the chief executive officer of the Company.
Chairperson	means the chairperson of the AGM.
Company	means Probiotec Limited.
Constitution	means the constitution of the Company
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Director	means a director of the Company.
Directors' Report	means the report of the directors of the Company on the consolidated entity consisting of the Company and the entities controlled by the Company for the financial year ended 30 June 2017.
Explanatory Notes	means these explanatory notes, which forms part of the Notice of Meeting.
Financial Report	means the financial report on the consolidated entity consisting of the Company and the entities controlled by the Company for the financial year ended 30 June 2017.
Key Management Personnel or KMP	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly, who are listed in the Remuneration Report.
Listing Rules	means the listing rules of the ASX, as amended from time to time.
Meeting	means the AGM.

Notice of Meeting	means the notice of the AGM, including the Explanatory Notes and all annexures to those documents.
Plan	means the Probiotec Executive Option Plan.
Proxy Form	means the proxy form accompanying this Notice of Meeting.
Remuneration Report	means the remuneration report of the Company, which forms part of the Directors' Report.
Reports	means Financial Report, Directors' Report and Independent Auditor's Report.
Share	means an Share in the capital of the Company.
Shareholder	means a holder of a Share.

ANNEXURE 1 - SUMMARY OF PROBIOTEC EXECUTIVE OPTION PLAN

The Probiotec Executive Option Plan was approved by the Company's Shareholders at its Annual General Meeting on 27 November 2014. It replaced the Company's former employee share plan and the exempt share and option plan. As at the date of the Notice of Meeting the following persons are entitled to participate in the Plan:

- Mr Wesley Stringer (CEO)
- Mr Jared Stringer (Chief Financial Officer and Company Secretary)
- Mr Alan Hong (GM – Finance)
- Mr Dusting Stringer (GM – Sales & Marketing)
- Ms Julie McIntosh (Chief Operating Officer)
- Mr David Petrie (GM – Quality)
- Mr Geordie Lukacs (Sales Manager)
- Mr Rudolf Ganter (Technical Manager)
- Mr Con Psalios (NPD & Technical Manager)

A total of 2,800,000 securities have been issued to any eligible participants since Shareholder approval was given to the Plan.

The key terms of the Plan are as follows:

Eligibility	The Board has the discretion to determine which executives are eligible to participate in the Plan. The definition of executive under the rules of the Plan includes Band 1 Executives (the Chief Executive Officer), Band 2 Executives (the Chief Operating Officer and the Chief Financial Officer) and Band 3 Executives (any individual who the Board determines to be an executive of a Group Company (including heads of department and the Company's chief accountant)). The Plan confers upon the Board the discretion to determine that a particular executive be included as a Band 1, Band 2 or Band 3 Executive.
Maximum holding	The Plan provides a restriction on the maximum number of unvested options that can be held at any point in time. A Band 1 Executive cannot hold more than 1,000,000 unvested options issued pursuant to the Plan. A Band 2 Executive cannot hold more than 600,000 unvested options issued pursuant to the Plan. A Band 3 Executive cannot hold more than 400,000 unvested options issued pursuant to the Plan.
Vesting conditions	The vesting of any securities issued under the Plan may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to the executive in their invitation.

Exercise of securities	Vested option issued under the Plan will not automatically trigger the exercise of the securities, but a participant will be entitled to exercise in accordance with the terms contained in the invitation to the individual.
Price	Options issued under the Plan will be issued at no cost to the participants. However, the options will be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in their invitation.
Lapse/forfeiture	<p>Unless the Board determines otherwise, options issued under the Plan will lapse upon the earliest of:</p> <ul style="list-style-type: none"> • any expiry date applicable to the securities; • any date which the Board determines that vesting conditions applicable to the securities are not met or cannot be met; • the participant ceasing employment with the Company or ceasing to satisfy any other conditions imposed by the Board at the time of issue of the options; • the participant having a judgment entered against them in respect of a contravention of their duties in their capacity as an executive; • the date that the Company receives notice from the participant that they wish for the options to lapse; • the date that is the 5th anniversary of the date of issue of the options; • the participant trading in respect of the securities in contravention of the Plan; and • the Board determining that a participant has committed any fraudulent or dishonest actions, or that the participant is in breach of their duties owed to the company, has brought the Company into disrepute or otherwise committed any act of harassment or discrimination.
Change of Control	On the occurrence of a change of control event, the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the Plan shall be dealt with.
No trading	Trading restrictions apply to options issued under the Plan in accordance with the rules of the Plan.
Rights attaching to Shares	Shares issued under the Plan will rank equally for dividends and other entitlements, be subject to any restrictions imposed under these rules and otherwise rank equally with the existing shares on issue at the time of allotment.
Company may issue or transfer shares	Company may, in its discretion, either issue new shares or procure the transfer of shares already on issue, or a combination of both, to satisfy the Company's obligations under the Plan.
Adjustments	Prior to the allocation of shares to a participant upon exercise of options issued under the Plan, the Board may make any adjustment it considers appropriate to the terms of securities in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action such as a capital raising or capital reconstruction.

Limits on securities issued

The number of shares that may be issued under the Plan is limited to the number prescribed under ASIC Class Order 03/184 with respect to employee share scheme offers made without a prospectus. Currently these limits provide that the number of shares that may be issued, when aggregated with a number of shares issued during the previous five years from share issues under all employee share schemes established by the Company (including as a result of exercise of options to acquire shares granted to the previous five years under any such employee share scheme), must not exceed 5% of the total number of shares on issue, disregarding certain unregulated offers.

Continued operation of the Plan

The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the listing rules.



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 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am AEDT on Tuesday 21 November 2017.**

🖨 TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/probiotecagm2017
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

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, all the securityholders should 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 AEDT on Tuesday 21 November 2017**. 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:

- 💻 **Online** www.votingonline.com.au/probiotecagm2017
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
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 **Probiotec 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 **83 Cherry Lane, Laverton North, Victoria 3026 on Thursday 23 November 2017 at 11:00am AEDT** 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 Resolutions 1, 6 and 7, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 6 and 7 are 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 Resolutions 1, 6 and 7). 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	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Director –Geoffrey Pearce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Mr Greg Lan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director – Mr Alexander Beard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Subsequent Approval of an Issue of Ordinary Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Probiotic Executive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Grant of Options to the Chief Executive Officer, Mr Wesley Stringer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

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 / / 2017