



Probiotec Limited

ACN 075 170 151

Notice of Annual General Meeting of the Company

to be held at:

Date: Tuesday 6 October 2015

Time: 10.00am AEDT

**Place: 83 Cherry Lane
Laverton North Victoria 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 an Annual General Meeting of shareholders of **Probiotec Limited (Company)** will be held at **83 Cherry Lane, Laverton North, Victoria 3026 on Tuesday 6 October 2015 at 10.00amAEDT**

Items of 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 2015.

2. RESOLUTION 1 ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following non-binding ordinary resolution under section 250R(2) of the Corporations Act 2001:

“That the Remuneration Report for the year ended 30 June 2015 be adopted.”

3. RESOLUTION 2 RETIREMENT AND RE-ELECTION OF DIRECTOR

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

“That Mr Graham Harry Buckeridge, a director retiring by rotation in accordance with clause 13.5 of the Company’s constitution and the ASX Listing Rules, and being eligible for re-election, be re-elected as a director of the Company.”

4. RESOLUTION 3 ELECTION OF DIRECTOR

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

“That Mr Robert Maxwell Johnson, having nominated for election as a director of the Company in accordance with clause 13.7 of the Company’s constitution and the ASX Listing Rules, and being eligible for election, be elected as a director of the Company.”

5. RESOLUTION 4 GRANT OF OPTIONS TO THE CHIEF EXECUTIVE OFFICER, MR WESLEY STRINGER

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

“That, for the purposes of ASX Listing Rule 10.14 and all other purposes, the grant of 1,000,000 options to acquire fully paid ordinary shares in the Company to the Chief Executive Officer, Mr Wesley Stringer and the issue of fully paid ordinary shares in the Company on exercise of those options, under the Probiotec Executive Option Plan as described in the explanatory statement included with this notice of meeting, be approved.”

BY ORDER OF THE BOARD

Dated 19 August 2015

Jared Stringer

Company Secretary

Explanatory Statement

Introduction

This Explanatory Statement has been prepared for the information of shareholders of the Company in connection with the Annual General Meeting (AGM) of the Company to be held at **83 Cherry Lane, Laverton North, Victoria 3026 on Tuesday 6 October 2015 at 10.00am AEDT**. It forms part of the Notice of Meeting and must be read together with the Agenda items.

1 FINANCIAL STATEMENTS AND REPORTS

As required by law, the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year must be considered at the AGM. While this item of business does not require a formal resolution to be put to Shareholders, 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 5 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 pass the 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 at pages 15 to 22 in the Annual Report. It sets out a range of matters relating to the remuneration of directors and executives of the Company.

By law, 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 adopting the Remuneration Report.

Voting exclusion statement

The Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of a Prohibited Voter (except a KMP, and that KMPs 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 Chairman of the meeting as proxy for a person entitled to vote in accordance with an express authority to vote undirected proxies as the Chairman sees fit even if the resolution is connected directly or indirectly with the remuneration of a KMP.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 1.

3 RESOLUTION 2 RETIREMENT AND RE-ELECTION OF DIRECTOR – MR GRAHAM BUCKERIDGE

The Company's Constitution and ASX Listing Rules require retirement of Directors by rotation. Clause 13.5 of the Company's Constitution requires that one third (rounded down in the case this is not a round number) 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.

Currently there are four Directors who are subject to the rotation provisions. Therefore one of those four Directors (Mr Graham Harry Buckeridge) retires in accordance with Clause 13.5, and being eligible, offers himself for re-election.

Mr Graham Harry Buckeridge is a non-executive Director of Probiotec Limited and is a member of the Remuneration and Nominations Committee and the Audit and Risk Committee. Mr Buckeridge has extensive experience in all aspects of international and domestic financial markets. Mr Buckeridge is the co-founder and executive director of BG Capital Corp Ltd (BGC), a relationship based firm providing corporate advisory and investment banking services and he was previously joint founder and Managing Director of Burdett Buckeridge and Young, a member corporation of ASX.

Recommendation

The directors, other than Mr Buckeridge, recommend that you vote in favour of Resolution 2 set out in the Notice of AGM.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 2.

4 RESOLUTION 3 RETIREMENT AND RE-ELECTION OF DIRECTOR – MR ROBERT MAXWELL JOHNSON

Clause 13.7 of the Company's Constitution allows a person to be elected at any general meeting of the Company subject to that person providing a nomination 30 business days before the general meeting. This nomination must state that the person is to be nominated for the position of director and must contain a written consent of the person to be a director. Mr Robert Maxwell Johnson has resigned as a director of the Company effective from this general meeting and nominated himself to be elected as a director. Mr Johnson has provided the required nomination in the correct form.

Given the recent changes to the Company's leadership together with the significant strategic re-alignment and restructuring over recent years, Mr Johnson believes it is prudent and appropriate to provide members with the opportunity to review his position on the board. Mr Johnson remains committed to the continued development and improvement of the Company.

Mr Robert Maxwell Johnson is a non-executive Director of Probiotec Limited and is a member of the Remuneration and Nominations Committee and the Audit and Risk Committee. Mr Johnson is also the chairman of Probiotec Limited. Mr Johnston was formerly a senior executive with Johnson & Johnson, the world's largest medical,

pharmaceutical and consumer healthcare company. Mr Johnston was president and CEO of Johnson & Johnson Pacific, while also concurrently leading several Asia Pacific Franchise and Functional working groups. Mr Johnston brings extensive overseas experience during his career in leading businesses in both Western and Central-Eastern Europe and Africa. Prior to joining Johnson & Johnson, Mr Johnston's career also included senior roles with Diageo and Unilever.

Recommendation

The directors, other than my Johnson, recommend that you vote in favour of Resolution 3 set out in the Notice of AGM.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 3.

5 RESOLUTION 4 GRANT OF OPTIONS TO THE CHIEF EXECUTIVE OFFICER, MR WESLEY STRINGER

Resolution 4 seeks shareholder approval for the issue of securities to the Chief Executive Officer (**CEO**), Mr Wesley Stringer, under the terms of the Probiotec Executive Option Plan (**Plan**) for the financial year ending 30 June 2016. Mr Wesley Stringer was appointed CEO, commencing 1 July 2015.

The Plan was approved by the Company's shareholders at its Annual General Meeting on 27 November 2014 and replaced the Company's former employee share plan and the exempt share and option plan. The Plan's key terms are contained in Appendix 1 to the Notice of Meeting. 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 Craig Lymn (operations Manager)
- Mr Dusting Stringer (GM – Sales & Marketing)
- Ms Julie McIntosh (GM – Supply Chain)
- Ms Labrini Nassis (GM – Quality)
- Mr Mark Chatfield (New Business Development)
- Mr Rudolf Ganter (Technical Manager)

A total of 1,800,000 securities have been issued to any eligible participants since shareholder approval was given to the Plan.

Pursuant to the Plan and subject to the shareholder approval sought by this resolution, the Company proposes to issue Mr Wesley Stringer with 1,000,000 options. Each option, once vested and exercised, entitles the holder to acquire one fully paid ordinary share in the Company. Therefore, Mr Wesley 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 Wesley Stringer for the issue of the options and the Company is not making any loan to Mr Wesley Stringer in relation to the issue of the options.

If shareholders approve Resolution 4, the options will be issued to Mr Wesley 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 Wesley 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 Wesley Stringer must pay the exercise price per option to the Company which will be \$0.50 per option. If Mr Wesley 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.

Given approval from shareholders is being sought in respect of ASX Listing Rule 10.14, Exception 14 of ASX Listing Rule 7.2 states that the Company is not also required to seek approval from shareholders to the issue of equity securities for the purposes of ASX Listing Rule 7.1. Accordingly, the issue of ordinary shares to Mr Wesley 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).

If shareholders do not approve Resolution 4, the Company has agreed to make an equivalent cash payment to Mr Wesley Stringer to the value of the options.

Recommendation

The Directors, other than Mr Wesley Stringer (who has abstained from making a recommendation because of his interest in this resolution) recommend that you vote in favour of Resolution 4 set out in the Notice of Meeting.

Voting exclusion statement

The Company will disregard any votes cast on Resolution 4 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Additionally, the Company will disregard any votes cast on Resolution 4 by a member of the Company's key management personnel (**KMP**) 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 Chairman of the meeting as proxy for a person entitled to vote, in accordance with an express authority to vote undirected proxies as the Chairman sees fit even if the resolution is connected directly or indirectly with the remuneration of a KMP.

Subject to the above, the Chairman of the meeting intends to vote all available proxies in favour of Resolution 4.

Voting and proxies

Voting

The resolutions are proposed as an ordinary resolution, which requires a simple majority of the votes cast.

Persons entitled to vote

Under regulation 7.11.37 of the Corporations Regulations 2001, 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 on **Friday 2 October 2015 at 7.00pm AEDT**.

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.

Necessary information

Information relevant to each resolution is set out in the attached explanatory statement which forms part of this notice to members.

Appointment of proxy

A proxy form is enclosed for your use if required. Please note the following in relation to the appointment of a proxy:

- 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 corporation, a form of proxy 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 form of proxy 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 delivery to the Company's share registry: Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001;
 - By facsimile to the following fax number at the Company's share registry:
+61 2 9290 9655.
 - Online: www.votingonline.com.au/probiotecagm2015
- 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 chairman of the meeting as the shareholder's proxy and does not specify how the chairman is to vote, the chairman will vote, as proxy for that shareholder, in favour of each resolution.

Appendix 1 - Summary of Probiotec Executive Option Plan Key Terms

Eligibility	The Board has the discretion to determine which executives are eligible to participate in the Plan. The Chief Executive Officer is defined under the rules of the Plan as a Band 1 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.
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	Company may, in its discretion, either issue new shares or procure the

transfer shares	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.

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am AEDT on Sunday 4 October 2015.**

TO VOTE ONLINE

STEP 1: VISIT www.votingonline.com.au/probiotecagm2015

STEP 2: Enter your holding/investment type:

STEP 3: Enter your Reference Number:

STEP 4: Enter your VAC:

PLEASE NOTE: For security reasons it is important you keep the above information confidential.

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:

- 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.
- 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 **10:00am AEDT on Sunday, 4 October 2015.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

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 Tuesday, 6 October, 2015 at 10:00am 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 Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Probiotec Limited.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). 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	Retirement and Re-election of Director – Mr Graham Buckeridge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Mr Robert Maxwell Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of Options to the Chief Executive Officer, Mr Wesley Stringer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2015