
BUBS AUSTRALIA LIMITED**ACN 060 094 742****NOTICE OF ANNUAL GENERAL MEETING**

TIME: 2:00pm Melbourne time**DATE:** 23 November 2020**PLACE:** Virtual Online Platform

Via Computer using URL:
<http://web.lumiagm.com/344513965>

Via mobile device using URL:
<https://web.lumiagm.com/344513965>

Via Apple or Google Play app Store, App name: Lumi AGM

DUE TO THE CURRENT COVID-19 SOCIAL DISTANCING RESTRICTIONS, SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETING IN PERSON.

A copy of the Bubs Australia Limited 2020 Annual Report can be found at:

investor.bubsaustralia.com

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

The General Meeting will be a virtual meeting. Instructions on how to attend, vote and ask questions during the meeting are outlined below and available on our website at investor.bubsaustralia.com/agm.

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Jay Stephenson, on (+61 8) 9426 0666.

CONTENTS PAGE

Business of the Meeting (setting out the proposed resolutions)	6
Explanatory Statement (explaining the proposed resolutions)	10
Glossary	17

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2:00pm (Melbourne time) on 23 November 2020.

Due to the COVID-19 pandemic, the Board has decided, in the interests of the health and safety of our Shareholders and staff, to hold the Annual General Meeting virtually. Accordingly, Shareholders will not be able to physically attend the meeting. For details of how Shareholders and proxyholders can participate in the Meeting online, please see the information below.

Shareholders and proxyholders can participate in the Annual General Meeting online using one of the following methods.

From their computer, by entering the URL in their browser: <https://web.lumiagm.com/344513965>

From their mobile device by either:

- a) Entering the URL in their browser; <https://web.lumiagm.com/344513965>
- b) By using the Lumi AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

The Lumi online platform allows Shareholders and proxyholders to listen to the Annual General Meeting, vote, and ask questions online in real time.

Visitors to the Annual General Meeting will be able to listen to the proceedings via the Lumi online platform but will not have access to vote or ask questions.

Technical difficulties may arise during the course of the Meeting. The Chair has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected. Where he considers it appropriate, the Chair may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy in accordance with the instructions set out on the Proxy Form, even if they intend to attend online.

In the event that it is necessary for the Company to give further updates, information will be provided on the Company's website at: investor.bubsaustralia.com/agm and lodged with the Australian Securities Exchange.

PARTICIPATING IN THE MEETING

Shareholders and proxyholders can submit questions in relation to the Annual General Meeting, and vote on the resolutions in real time during the Meeting via the Lumi online platform. Shareholders may also submit their questions in advance of the Annual General Meeting on matters relevant to the business of the Annual General Meeting by emailing their questions to investors@bubsaustralia.com. Written questions must be received by no later than 5:00pm Melbourne time on 16 November 2020

Shareholders, proxies and attorneys participating in the Annual General Meeting using the Lumi online platform will be able to vote between the commencement of the Meeting and the closure of voting as announced by the Chair during the Meeting.

By participating in the Meeting online you will be able to:

- a) hear and view the Meeting slides;
- b) submit questions at the appropriate time whilst the Meeting is in progress; and
- c) vote during the Meeting.

Instructions on how to log on to the Meeting platform to ask questions and vote during the Meeting are outlined below and available on our website at investor.bubsaustralia.com/agm.

If you choose to participate in the Meeting online, registration will open at 1:30pm (Melbourne time) on Monday, 23 November 2020 (30 minutes prior to the start of the Meeting).

To participate in the Meeting online, you can log in to the Meeting the following ways:

From your computer, by entering the URL in their browser: <https://web.lumiagm.com/344513965>

From your mobile device by either.

- a) Entering the URL in their browser; <https://web.lumiagm.com/344513965>
- b) By using the Lumi AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

Once you have selected one of the options above, Shareholders and proxyholders will need the following information to participate in the Meeting in real-time:

- a) the Meeting ID; which is 344513965
- b) your username, which is your SRN/HIN (which will be printed at the top of the Proxy Form); and
- c) your password. If your holding is registered to an Australian address, your password is your postcode. If your holding is registered to an overseas address, your password is the three character country code set out in the Lumi Online Meeting Guide. Further information regarding participating in the Meeting online, including browser requirements is detailed in the AGM Online Meeting Guide available on the Bubs website; at investor.bubsaustralia.com/agm.

Please note, only Shareholders and proxyholders may ask questions online and only once they have been verified. It may not be possible to respond on all questions raised during the Meeting. Shareholders are therefore encouraged to lodge questions prior to the Meeting by emailing their questions to investors@bubsaustralia.com. Written questions must be received by no later than 5:00pm Melbourne time on 16 November 2020.

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm (Melbourne time) on 21 November 2020.

VOTING IN PERSON

All voting will be done via the Lumi online meeting platform. If you log in to participate in the Annual General Meeting, you will be able to cast your vote during the Meeting. Voting on each item of business will be by poll. Instructions on how to vote during the meeting are set out in the Lumi Online Meeting Guide available on the Bubs website at investor.bubsaustralia.com/aggm.

VOTING BY PROXY

The Company encourages all Shareholders to submit a proxy vote ahead of the Meeting.

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

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member 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.

Sections 250BB and 250BC of the Corporations Act provide that the chair of an annual general meeting can vote undirected proxies in a shareholder vote on the remuneration report where the shareholder provides express authorisation.

A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Annual General Meeting. The appointment of the representative must comply with the requirements under Section 250D of the Corporations Act. The representative will need to provide evidence of appointment as corporate representative to the company's Share Registry prior to the Annual General Meeting / by emailing evidence of appointment to investors@bubsaustralia.com or sending evidence by fax to facsimile number +61 8 9481 1947, including any authority under which the appointment is signed, unless such evidence has previously been given to the Company.

Further details are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- the appointed proxy is not the chair of the meeting;
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. ANNUAL REPORT

To receive and consider the Annual Report of the Company, and its controlled entities, for the financial year ended 30 June 2020, together with the Financial Report, the Directors' Report and the Auditors' Report.

Note: Section 317 of the Corporations Act requires the Directors to present to the meeting the annual financial report, the Declaration of the Directors, the Directors' Report and the Auditors' Report. There is no requirement for a resolution to approve these reports. Shareholders will be given the opportunity to raise questions and make comments on these reports.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report, as contained in the Company’s annual financial report for the financial year ended 30 June 2020.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **Voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the Voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR DENNIS LIN

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 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Dennis Lin, who retires as a Director by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 31,578,947 Shares to institutional, professional and sophisticated clients of the Lead Manager on 13 December 2019, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely participants under the Placement) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a) A person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- b) The Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c) A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - b. The holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 35,371,844 Shares to institutional, professional and sophisticated clients of the Lead Manager on 11 September 2020, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely participants under the Placement) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a) A person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- b) The Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c) A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - b. The holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 4,751,775 Shares to eligible shareholders pursuant to the Share Purchase Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely participants under the Share Purchase Plan) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a) A person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- b) The Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c) A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - b. The holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 12,356,627 Shares to CW Retail Services Pty Ltd, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely CW Retail Services Pty Ltd) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a) A person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- b) The Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c) A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - b. The holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

8. RESOLUTION 7 – APPROVAL OF ISSUE OF OPTIONS TO KRISTY CARR

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

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,770,810 Options to Kristy Carr (or her nominee/s) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mrs Kristy Carr (or her nominee/s) and any of her associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person or attorney for a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person or attorney for person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder in that way.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

DATED: 20 OCTOBER 2020

BY ORDER OF THE BOARD

Jay Stephenson
Company Secretary

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 which are the subject of the business of the Meeting.

PART A ORDINARY BUSINESS OF THE AGM

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include the receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at investor.bubsaustralia.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2020.

The Chair of the Meeting must allow a reasonable opportunity for the Shareholders to ask questions about, or make comments on, the Remuneration Report at the Annual General Meeting and, as such, a reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

2.2 Voting consequences

If at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report at two consecutive annual general meetings and at the first of those annual general meetings, a Spill Resolution (as defined below) was not put to vote, the Company will be required to put to its shareholders a resolution proposing the calling of another general meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene a general meeting of shareholders (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

At the Company's previous annual general meeting, the votes cast against the remuneration report at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.3 Proxy voting restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

If you appoint a member of the Key Management Personnel as your proxy (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy

You must direct the proxy how they are to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member) or if you appoint any other person who is not a member of the Key Management Personnel as your proxy

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to tick any further acknowledgement on the proxy form.

The Board unanimously **recommends** that Shareholders vote in favour of this Resolution to adopt the Remuneration Report.

3. RESOLUTIONS 2– RE-ELECTION OF DIRECTOR

Clause 14.2 of the Constitution requires that at each annual general meeting, one third of the Directors (except the Managing Director who is exempt) must retire from office. In determining the number of Directors to retire, no account is taken of the Managing Director, or directors who have been appointed under Clause 14.4 of the Constitution.

The Company's has three Directors, Mr Dennis Lin, Mr Matthew Reynolds, and Mr Steve Lin, who are eligible for retirement by rotation. As Mr Matthew Reynolds stood for re-election and Mr Steve Lin stood for election under Clause 14.4 of the Constitution at the 2019 AGM, Mr Dennis Lin will retire by rotation.

Accordingly, Mr Dennis Lin retires in accordance with Clause 14.2 of the Constitution and, being eligible, seeks re-election. Mr Dennis Lin's details are set out below.

Bio of Mr Dennis Lin

Mr Lin was previously a Partner with BDO in Brisbane and is their National Leader of China Advisory Services. Having practiced as both a Chartered Accountant and Solicitor, he is able to consider and advise on a wide range of impacts related to transactions and provides regular advice to foreign investors on merger and acquisition activities. Key assignments have included capital market listings in Australia, Singapore and Hong Kong, and acting as the lead financial advisor and project leader on transactions up to AUD1 billion.

He has a special interest in advising on inbound investments from greater China and is a native speaker of Putonghua (Mandarin Chinese) and Japanese.

Mr Lin focuses on high growth branded businesses that are looking to expand globally, and has been part of Bubs Australia board since its listing. He works closely with the team in creating, setting and executing strategic priorities for the business, especially in relation to international markets and vertical integration. In addition, Mr Lin is co-founder of and Chairman of Cortina Capital, an independent private equity fund that focuses on investing in health and wellness brands.

The Board has considered Mr Dennis Lin's independence and considers that Mr Dennis Lin is not an independent Director.

The Board (with Mr Dennis Lin abstaining) unanimously **recommends** that Shareholders vote in favour of this Resolution to re-elect Mr Dennis Lin.

4. RESOLUTIONS 3, 4 AND 5 – RATIFICATION OF PRIOR ISSUES OF SHARES

4.1 General

On:

- (a) 13 December 2019, the Company issued 31,578,947 Shares via a placement to institutional, professional and sophisticated clients of PAC Partners and Bell Potter at \$0.95 per Share to raise \$30,000,000 before costs;
- (b) 11 September 2020, the Company issued 35,371,844 Shares via a placement to institutional, professional and sophisticated clients of PAC Partners and Bell Potter at \$0.80 per Share to raise \$28,297,475 before costs,

(collectively, the **Placements**). On 14 October 2020, the Company issued 4,751,775 Shares to eligible shareholders of the Company who had registered addresses in Australia and New Zealand on the Company's register at 7:00pm (Melbourne time) on Thursday, 2 September 2020, pursuant to the Share Purchase Plan at \$0.80 per Share to raise \$3,801,420 before cost.

Resolutions 3, 4 and 5 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the Placements.

ASX Listing Rule 7.1 provides that the prior approval of shareholders is required in order to issue securities which, when aggregated with securities issued by the company during the previous 12 months, exceed 15% of the number of securities the company had on issue at the commencement of that 12 month period. An issue does not count towards the 15% annual placement capacity under ASX Listing Rule 7.1 if it is approved by shareholders.

ASX Listing Rule 7.4 provides that an issue of securities made without shareholder approval, will be treated as having been made with shareholder approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and is subsequently approved by shareholders.

By ratifying these previous issues of securities under Resolutions 3, 4 and 5, the Company will again have the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The Board unanimously **recommends** that Shareholders vote in favour of Resolutions 3, 4 and 5 to ratify the Placements.

4.2 Managers of the Placements and Share Purchase Plan

The Company engaged the services of Bell Potter Securities Limited (**Bell Potter**) and PAC Partners Securities Pty Ltd (**PAC Partners**) as joint lead managers (**Lead Manager**) of the Placements.

The Company has paid the Lead Manager fees of \$2,331,899 being 4% of the amount raised under the Placements. The \$2,331,899 comprised of:

- a) \$1,200,000 for the December 2019 Placement;
- b) \$1,131,899 to for the September 2020 Placement; and
- c) Nil for the Share Purchase Plan.

4.3 Technical information required by Listing Rule 14.1A

If Resolutions 3, 4 and 5 are passed, the Placements will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of the Placement Shares.

If Resolutions 3, 4 and 5 are not passed, the Placements will be included in calculating the Company's 15% limit in Listing Rule 7.1 effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of the Placement Securities.

4.4 Technical Information Required by ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Shares:

- (a) on 13 December 2019, the Company issued 31,578,947 Shares via a placement to institutional, professional and sophisticated clients of the Lead Manager at \$0.95 per Share to raise \$30,000,000 before costs;
- (b) on 11 September 2020, the Company issued 35,371,844 Shares via a placement to institutional, professional and sophisticated clients of the Lead Manager at \$0.80 per Share to raise \$28,297,475 before costs;
- (c) on 14 October 2020, the Company issued 4,751,775 Shares to eligible shareholders of the Company who had registered addresses in Australia and New Zealand on the Company's register at 7:00pm (Melbourne time) on Thursday, 2 September 2020, pursuant to the Share Purchase Plan at \$0.80 per Share to raise \$3,801,420 before costs;
- (d) the recipients of the Placements were identified through a bookbuild process which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the parties are related parties of the Company;
- (e) the recipients of the Shares were voluntary eligible shareholders of the Company who had registered addresses in Australia and New Zealand on the Company's register at 7:00pm (Melbourne time) on Thursday, 2 September 2020 and were entitled to acquire a minimum of A\$2,000 worth of Shares and up to a maximum of A\$30,000 worth of Shares (under any share purchase plan or similar arrangement in any 12 month period);
- (f) none of the recipients were issued more than 1% of the Company's issued capital at the time of the issue;
- (g) 31,578,947 Shares issued on 13 December 2019, 35,371,844 Shares issued on 11 September 2020 were issued under Listing Rule 7.1;
- (h) 4,751,775 Shares issued on 14 October 2020 were issued pursuant to the *ASX Class Waiver Decision – Temporary Extra Placement Capacity dated 9 July 2020* and were issued under Listing Rule 7.1;
- (i) a voting exclusion statement is included in Resolution 3, 4 and 5 of this Notice;
- (j) all Shares were issued on the same terms and conditions as the Company's existing Shares; and

- (k) the funds raised from the Placements have been or will be used to provide working capital and funding to support Vita Bubs, accelerate brand equity build leveraging Jennifer Hawkins, Bubs Global Brand Ambassador, new product innovation in emerging high value goat dairy segments, extending production capability to include a production line for single serve sachets, and global market expansion into new markets, China growth momentum and to fund capital expenditure to further enhance vertical integration and new milk supply agreements.

5. RESOLUTIONS 6 - RATIFICATION OF ISSUE OF SHARES TO CHEMIST WAREHOUSE

5.1 General

On 18 April 2019, the Company announced that it had entered into a binding heads of agreement with Chemist Warehouse Retail Group to form a four year strategic alliance relating to the sale and promotion of Bubs products in Chemist Warehouse Stores.

On 24 July 2020, the Company issued 12,356,627 Shares to CW Retail Services Pty Ltd (**Chemist Warehouse**) at a deemed issue price of \$0.551 per Share as a marketing and promotional fee for the second year of the four-year period.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.1 in relation to the issue of the Shares.

ASX Listing Rule 7.1 provides that the prior approval of shareholders is required in order for a company to issue securities which, when aggregated with securities issued by the company during the previous 12 months, exceed 15% of the number of securities the company had on issue at the commencement of that 12 month period. An issue does not count towards the 15% annual placement capacity under ASX Listing Rule 7.1 if it is approved by shareholders.

By ratifying the previous issue of securities under Resolution 6, the Company will again have the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The Board unanimously **recommends** that Shareholders vote in favour of Resolutions 6.

5.2 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Shares to Chemist Warehouse will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of the Shares to Chemist Warehouse.

If Resolution 6 is not passed, the Shares to Chemist Warehouse will be included in calculating the Company's 15% limit in Listing Rule 7.1 effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of the Placement Securities

5.3 Technical Information Required by ASX Listing Rule 7.5

In accordance with ASX Listing Rules 7.5, the following information is provided in relation to Resolution 6:

- (a) On 24 July 2020, the Company issued 12,356,627 Shares to CW Retail Services Pty Ltd at a deemed issue price \$0.551 per Share as a marketing and promotional fee for the second year of the four-year period.
- (b) all Shares were issued on the same terms and conditions as the Company's existing Shares;

- (c) no funds were raised from the issue of the Shares;
- (d) the material terms of the Agreement with Chemist Warehouse are that Bubs will pay a marketing and promotional fee to Chemist Warehouse which will be used by Chemist Warehouse to acquire shares in the Company. The Agreement provided for an initial issue of 12,356,627 Shares in the first year which were issued in 2019. The maximum number of Shares to be issued to Chemist Warehouse over years two through four is 37,069,881 shares. The years two through four Shares will be issued in three annual tranches, each of 12,356,627 shares, subject to Chemist Warehouse meeting certain sales performance targets; and
- (e) a voting exclusion statement is included in Resolution 6 of this Notice.

6. RESOLUTION 7 – APPROVAL OF ISSUE OF OPTIONS TO KRISTY CARR

6.1 General

Resolution 7 seeks Shareholder approval for the issue of 4,770,810 Options (**Options**) on the terms and conditions set out in section 6.6 below to Mrs Kristy Carr (or her nominee/s) in consideration for services to be provided by Mrs Carr pursuant to the terms of her employment agreement. Mrs Carr was appointed the Chief Executive Officer of the Company on 3 September 2018.

These Options contain the same Exercise Price and Vesting Conditions as the Options issued to the Executive Chairman, Dennis Lin in 2019, as approved by Shareholders at the Company's 2019 AGM. These Options will replace the options currently on issue to Mrs Carr which were approved by shareholders at the 28 November 2018 Bubs' annual general meeting, are expiring on 11 December 2021 and which will be cancelled if shareholders approve the issue of the Options.

6.2 Chapter 2E of the Corporations Act

The Board has considered the application of Chapter 2E of the Corporations Act to the grant of Options to Mrs Carr and considers that the financial benefit given by such grant constitutes reasonable remuneration to Mrs Carr, given (i) the circumstances of the Company, (ii) Mrs Carr's role and responsibilities as an officer and employee of the Company; and (iii) that Mrs Carr's remuneration package was negotiated on an arm's length basis. Accordingly, it is the Board's view that section 211(1) of the Corporations Act applies and therefore the Company is not seeking shareholder approval for the purposes of section 208 of the Corporations Act.

6.3 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, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained.

As the grant of the Options to Mrs Carr involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Options to Kristy Carr will be issued. If Resolution 7 is not passed, the Options to Kristy Carr will not be issued and the Company may consider alternate forms of remuneration for Kristy Carr.

6.5 Technical information required by ASX Listing Rule 10.13

In accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 7:

- (a) the Options will be granted to Mrs Carr (or her nominee/s);
- (b) Mrs Carr is a related party to the Company as she is a Director of the Company;
- (c) the number of Options to be issued is 4,770,810;
- (d) the Options are to incentivise Mrs Carr.
- (e) Mrs Carr's current remuneration is \$450,000 per annum.
- (f) the Options will be issued no later than 1 month after the date of the Meeting;
- (g) the Options will be issued for nil cash consideration, accordingly no funds will be raised;
and
- (h) the terms and conditions of the Options are set out in Section 6.6 below.

If approval is obtained for the issue of Options under ASX Listing Rule 10.11, Listing Rule 7.2 (exception 14) will apply. On this basis, the grant of Options to Mrs Carr (or her nominee/s) will not require shareholder approval under Listing Rule 7.1 and the options will not be included in the Company's 15% annual placement capacity.

The Board (Mrs Carr abstaining) unanimously **recommends** that Shareholders vote in favour of this Resolution to approve the issue of Options to Mrs Carr.

6.6 Terms of Related Party Options

The Related Party Options will be issued on the following terms and conditions:

Number of Options	4,770,810
Exercise Price	\$0.10
Vesting Date	Any time on or before the Expiry Date provided the Vesting Condition has been satisfied.
Vesting Conditions	<ul style="list-style-type: none"> (i) 2,385,405 Options Vest in the Company 3 months after issue and on the achievement of \$50,000,000 in gross sales and \$2,000,000 in Normalised EBITDA as at the Company's full year results; and (ii) 2,385,405 Options Vest in the Company 3 months after issue and on the achievement of \$60,000,000 in gross sales and \$4,000,000 in Normalised EBITDA as at the Company's full year results.
Expiry Date	<p>Each Option will expire at 5:00pm (EST) on the earlier of:</p> <ul style="list-style-type: none"> (i) three years after the date of issue; and (ii) the date on which Mrs Carr ceases to be an employee of the Company.

Voting Rights	The Options hold no voting rights.
Transferability	There is no loan proposed in relation to the proposed grant of the Options. The Options may only be transferred to a related party of Kristy Carr.
Participation in new issues	There are no participation rights or entitlements inherent in the Options and Kristy Carr will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
Change in exercise price	An Option does not confer the right to a change in exercise price or a change in the number of underlying shares over which the Option can be exercised.
Shares issued on exercise	Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
Reconstruction of Capital	The terms upon which the Options will be granted will not prevent the Options being re-organised as required by the ASX Listing Rules on the re-organisation of the capital of the Company under the Corporations Act.

Glossary

\$ means Australian dollars.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or 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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Bubs Australia Limited (ACN 060 094 742).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Option means an option to acquire one Share.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

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

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

Share Purchase Plan means the Share Purchase Plan which was announced to the market on 3 September 2020.

Shareholder means a holder of a Share.



BUB

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00 PM (AEDT) on Saturday, 21 November 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Bubs Australia Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Bubs Australia Limited to be held as a virtual meeting on Monday, 23 November 2020 at 2:00 PM (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 7 by marking the appropriate box in step 2.

Step 2 Item of Business

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

	For	Against	Abstain
1 Adoption Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Mr Dennis Lin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Prior Issue of Shares - 31,578,947 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Prior Issue of Shares - 35,371,844 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of Prior Issue of Shares - 4,751,775 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of Prior Issue of Shares - 12,356,627 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of Issue of Options to Kristy Carr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

BUB

269046A



Computershare

