

PROBIOTEC LIMITED

ACN 075 170 151

Notice of Annual General Meeting of the Company
to be held at:

Date	Wednesday 24 November 2021
Time	10.00 am (Melbourne time)
Place	Virtual Meeting via Zoom (see details later in notice)



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** ("AGM") of Shareholders of Probiotec Limited (the "**Company**") will be online via Zoom on **Wednesday 24 November 2021 at 10.00 am** (Melbourne time).

In light of current travel restrictions and the limitations on public gatherings in place at the date of this Notice, the board of directors of the Company ("**Board**") has decided that the AGM will be held entirely online, via Zoom. The Board encourages Shareholders to monitor the ASX and Company websites for updates (if any) after the issue of this Notice.

Zoom Meeting Details

The AGM will be webcast live via an online platform. To participate you will need a desktop or mobile/tablet device with internet access. When you log onto the online platform to register to attend the AGM, you will need to provide your details (including SRN or HIN) to be verified as a shareholder.

To register for the meeting, please click the link below:

https://us06web.zoom.us/webinar/register/WN_qo58HyeURPGkZ2eOvUzTRA

For further details and instructions, please see the online meeting guide at the rear of this document.

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 2021.

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 2021 be adopted."

3 Resolution 2 - Re-election of Director – Jonathan Wenig

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

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

4 **Resolution 3 - Re-election of Director – Simon Gray**

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

“That Mr Gray, in accordance with clause 13.9 of the Constitution and ASX Listing Rule 14.4, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Special Business

5 **Resolution 4 – Issue of Performance Rights to the Chief Executive Officer**

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the Company under the Probiotec Executive Option Plan to issue 150,000 performance rights to the Chief Executive Officer, Mr Wesley Stringer.”

6 **Resolution 5 – Provision of Loan to the Chief Executive Officer in relation to 2020 Options**

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the Company, under the Probiotec Executive Option Plan, to provide a loan of up to \$2,668,176 to the Chief Executive Officer, Mr Wesley Stringer, to assist him to exercise 1,260,000 options that were issued to him on 27 October 2020 (the “2020 Options”), and to reconfirm the issue of the 2020 Options that were previously approved by Shareholders.”

By order of the Board

Jared Stringer
Company Secretary
7 October 2021

1. **Defined Terms**

Capitalised terms used in this Notice have, unless otherwise defined, the same meanings as set out in the Glossary of Terms in the Explanatory Notes attached to this Notice.

2. **Materials accompanying this Notice**

The following materials accompany this Notice:

- (a) the Financial Report, Directors' Report and Auditor's Report, including the Remuneration Report, if you have requested to receive a printed copy and have not withdrawn that election;
- (b) the Explanatory Notes setting out details relevant to the business set out in this Notice;
- (c) a Proxy Form; and
- (d) a Virtual Meeting Guide.

3. **Voting and required majority - Corporations Act**

- (a) In accordance with section 249HA of the Corporations Act for **Resolutions 1 to 6** to be effective:
 - (i) not less than 28 days written notice specifying the intention to propose the resolutions has been given; and
 - (ii) each resolution must be passed by more than 50% of all the votes cast by Shareholders entitled to vote on the resolutions (whether in person or by proxy, attorney or representative).
- (b) Subject to paragraph 4 below, on a poll, every Shareholder has one vote for each Share held.

4. **Shareholders Eligible to Vote**

Pursuant to regulation 7.11.37 of the Corporations Regulations, the Board has determined that the shareholding of each Shareholder for the purposes of ascertaining their voting entitlements at the Meeting will be as it appears in the Company's register of Shareholders at 7.00 pm (Melbourne time) on **Monday 22 November 2021 ("Effective Time")**.

5. **Voting online at the virtual Meeting**

Given the restrictions imposed by the Australian and Victorian Governments in response to COVID-19, it will not be possible to attend the Meeting in person. Accordingly, the Meeting will be held online via Zoom.

When you register for the Meeting, you will be asked to provide your details (including SRN or HIN) to be verified as a shareholder or proxyholder (as applicable).

All Resolutions considered at the Meeting will be decided by poll based on proxy votes received prior to the commencement of the Meeting and votes cast via an online poll during the Zoom Meeting.

More information about how to use the Zoom platform (including how to vote online during the Meeting) is available in the Virtual Meeting Guide at the rear of this document and will be lodged with ASX. If you intend to attend the Meeting, including if you intend to vote online during the Meeting, please ensure that you register in advance. We also recommend that you test to see that the platform works on your device before the Meeting commences at 10.00 am.

Whilst live voting will be available, Shareholders are still strongly recommended to submit their votes by proxy to ensure that their votes are counted. Instructions on how to submit votes by proxy are contained within the “Proxies and Representatives” section below.

6. Shareholder questions

Shareholders will also be given a reasonable opportunity to speak and ask questions related to the business of the Meeting, the Company’s operations or of the Auditor via the Q&A function within the online meeting platform during the meeting (see Online Meeting Guide at the rear of this document).

To ensure that as many shareholders as possible have the opportunity to speak, shareholders are requested to observe the following requests:

- (a) All Shareholder questions should be stated clearly and should be relevant to the business of the AGM, including matters arising from the Financial Report, the Directors’ Report (including the Remuneration Report) and the Auditor’s Report, and general questions about the performance, business or management of the Company;
- (b) If a Shareholder has more than one question on an item of business, all questions should be asked together; and
- (c) Shareholders should not ask questions at the AGM relating to any matters that are personal to the Shareholder or commercial in confidence.

Shareholders can also ask questions via Company’s AGM landing page below:

boardroomlimited.com.au/agm/probiotec

7. Appointing a Proxy

All Shareholders at the Effective Time who are entitled to attend and vote at the AGM may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy need not be a Shareholder of the Company.

Each Shareholder who is entitled to cast 2 or more votes at the AGM, may appoint up to 2 proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder **does not** specify the proportion or number of that Shareholder’s votes each proxy may exercise, each proxy will be entitled to exercise half of the votes. An additional Proxy Form will be supplied by the Company on request.

You can appoint a proxy by completing the attached proxy form.

The deadline for receipt of proxy appointments is 10.00 am (Melbourne time) on Monday 22 November 2021 (which is 48 hours before the Meeting). **Proxy appointments received later than this time will be invalid.**

If the Proxy Form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the Proxy Form, unless the power of attorney has already been provided to the Company or Boardroom Pty Limited.

8. **Corporate Representatives**

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should provide to Boardroom Pty Limited adequate evidence of their appointment, unless this has previously been provided to Boardroom Pty Limited.

An appointment of corporate representative form can be located at:

<https://boardroomlimited.com.au/investor-forms/>

Explanatory Notes

1 General

These Explanatory Notes have been prepared for the information of Shareholders in connection with the Annual General Meeting of the Company to be held online via Zoom on Wednesday 24 November 2021 at 10.00 am (Melbourne time). **These Explanatory Notes form part of the Notice and should be read carefully by members prior to the Meeting.**

2 Ordinary Business

(a) Financial Reports and Statements

In accordance with section 317 of 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 Shareholder 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 Meeting. The Auditor may, but is not obligated to, answer any written or oral questions that are put by Shareholders.

(b) Resolution 1 - Adoption of Remuneration Report

The Remuneration Report is set out in the Annual Report. The Remuneration Report details the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and not binding on the Company or its Directors.

However, under the Corporations Act, if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report then:

- (i) If comments are made on the Remuneration Report at the Meeting, the Company's 2022 Remuneration Report will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- (ii) If, at next year's AGM, at least 25% of the votes cast on the resolution for adoption of the 2022 Remuneration Report are against it, the Company will be required to put to Shareholders a resolution proposing that an Extraordinary General Meeting ("EGM") be called to consider the election of Directors ("Spill Resolution"). If the Spill Resolution is passed (i.e. more than 50% of the votes cast are in favour of it), all of the Directors (other than the Managing Director) will cease to hold office at the subsequent EGM, unless re-elected at that Meeting.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the Remuneration Report.

Recommendation

The Remuneration Report forms part of the Directors' Report, which was approved in accordance with a unanimous resolution of the Board. Each Director recommends that Shareholders vote in favour of adopting the Remuneration Report. The Chairperson will vote undirected proxies in favour of this Resolution where permitted.

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 ("KMP") 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:

- (i) as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form; or
- (ii) 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 intends to vote all undirected proxies in favour of Resolution 1.

(c) Resolution 2 - Re-election of Director - Jonathan Wenig

Background

Clause 13.5 of the Constitution requires that one third of the Directors (or the number nearest but not exceeding one-third) of 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.

The Constitution states that the Director(s) to retire in every year shall be those who have been longest in office since their last election. This would ordinarily be Mr Greg Lan; however, Mr Lan has decided not to seek re-election and will instead retire as a Director at the conclusion of the Meeting. The Board wishes Greg all the best and sincerely thanks him for his service and dedication to the Company, having served as a Director since February 2017.

Mr Jonathan Wenig is the next longest-serving Director and, in accordance with clauses 13.5 and 13.6 of the Constitution and ASX Listing Rule 14.4, will retire as a Director, and, being eligible, offers himself for re-election.

ASX Listing Rule 14.4 provides that a Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer. Further, ASX Listing Rule 14.5 provides that an entity which has Directors must hold an election of Directors at each annual general meeting.

Biography

Mr Wenig is currently the Chairperson and a Director of the Company. Mr Wenig is a partner at Arnold Bloch Leibler, a leading Australian commercial law firm. His practice and expertise span the breadth of commercial and corporate law, including mergers and acquisitions, technology and financing. He is a trusted advisor to numerous active and innovative public companies - bringing his intellect and experience to bear not only in their corporate matters and acquisition activities, but across their legal affairs and strategic challenges and opportunities.

He has a wide breadth of business experience across a range of industry sectors, including internet, manufacturing, agriculture, retail, health and banking.

Mr Wenig is ranked as one of Australia's leading Corporate and M&A lawyers in the prominent legal sector publications, Chambers Asia Pacific and The Legal 500 Asia Pacific. He is also recognised by Best Lawyers® International in the area of corporate and M&A law and has been ranked by Doyle's Guide in the categories of private equity and corporate law.

Mr Wenig joined the board of the Company in May 2020.

Recommendation

The Directors (other than Mr Wenig) 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.

(d) Resolution 3 - Re-election of Director - Simon Gray

The Constitution and the Listing Rules require a Director appointed to fill a casual vacancy to retire at the next AGM. Clause 13.9 of the Constitution provides that a Director appointed to fill a casual vacancy will hold office until the end of the next AGM when that Director may be re-elected. Furthermore, Directors have the power at any time to appoint any person to be a Director as an addition to the existing Directors.

ASX Listing Rule 14.4 also provides that a director of an entity appointed to fill a casual vacancy must not hold office (without re-election) past the next AGM of the Company. This rule does not apply to the Managing Director.

In accordance with clause 13.9 of the Constitution, Simon Gray will retire as a Director, and, being eligible, offers himself for re-election.

Mr Gray is currently a Director of the Company under a casual vacancy. Mr Gray has a strong background in law, financial services and markets, risk and strategy. He was previously a director on the boards of Morgans Financial Limited and before that Shaw and Partners Limited where he was at various times its Deputy CEO, General Counsel and Chief Compliance Officer. Mr Gray is also Chair of the Australian Securities and Investments Commission's Markets Disciplinary Panel and Chair of the ASX Appeal Tribunal. Mr Gray is based in Sydney.

Mr Gray joined the board of the Company in June 2021.

Recommendation

The Directors (other than Mr Gray) 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.

3 Special Business

(a) Resolution 4 – Issue of Performance Rights to the Chief Executive Officer

Resolution 4 seeks shareholder approval for the Company, under the terms of the Plan, to issue 150,000 performance rights (“**Performance Rights**”) to the Chief Executive Officer, Mr Wesley Stringer, on the terms set out in this Explanatory Statement (the “**Issue**”).

Background

The Company has previously issued premium priced options to Mr Stringer as part of his remuneration package to encourage a focus on growing the Company’s share price and total shareholder return, as the Company’s share price will need to increase above the exercise price for those options to deliver any value to Mr Stringer.

Following a review of the Company’s long term remuneration strategy, the Board has decided to Performance Rights to Mr Stringer, being zero-priced options that are subject to vesting conditions tied to earnings per Share (“**EPS**”) performance, rather than share price performance. EPS growth represents a transparent and well understood metric for both shareholders and management that is not subject to market outcomes but rather a direct outcome of the strategic and operational initiatives of the management team over time.

The Performance Rights proposed to be issued to Mr Stringer entitle him to acquire up to a maximum of 150,000 Shares, for no consideration, subject to the relevant vesting conditions (“**Vesting Conditions**”) (summarised below) being satisfied or waived at the end of a two-year assessment period ending on 30 June 2023. The Vesting Conditions are as follows:

- (i) **Performance condition:** The achievement of pro-forma EPS for FY23 of at least 21.5 cents per Share, representing an increase of 20% on pro-forma EPS for FY21 of 17.9 cents per Share.¹
- (ii) **Service condition:** The second condition is that Mr Stringer must be continuously employed by a Group Company for the period to 30 June 2023 and must not have resigned as an employee by that date.

Subject to the Vesting Conditions having been satisfied or waived, the Performance Rights will be capable of exercise immediately following release of the Company’s audited results for FY23.

¹ Pro-forma earnings per Share will exclude non-recurring costs and amortisation of customer relationship intangible assets.

Shareholder approval

ASX Listing Rule 10.14.1 provides that a listed company must not permit a director of the company to acquire equity securities under an employee incentive scheme unless the company obtains the approval of its shareholders.

The Issue falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders.

Resolution 4 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 10.14. If Resolution 4 is passed, the Company will be able to proceed with the Issue. If Resolution 4 is not passed, the Company will not be able to proceed with the Issue, and the Board would then need to consider alternative remuneration arrangements which are consistent with the Company's remuneration principles, while maintaining the competitiveness of Mr Stringer's remuneration.

Information required by Listing Rule 10.15

The following information in relation to the issue of Performance Rights to Mr Stringer is provided to Shareholders for the purposes of ASX Listing Rule 10.15:

- (iii) Mr Stringer is a Director and falls into the category stipulated by Listing Rule 10.14.1.
- (iv) Shareholder approval is being sought for the issue of 150,000 Performance Rights under the Plan to Mr Stringer.
- (v) The issue of the Performance Rights will form part of Mr Stringer's total remuneration package for FY22, which is expected to be as follows:

Short-Term Benefits	\$572,500
Salary, Fees & Commissions	\$572,500
Post-Employment Benefits	\$38,510
Superannuation Contribution	\$27,500
Long Service Leave (notionally accrued)	\$11,010
Equity-Based Benefits	\$78,497
Performance Rights ¹	\$78,497
Total	\$689,507
Short Term Incentives (subject to KPI achievement)	\$0 to \$300,000

Notes:

1. This amount reflects the expected expense to be recognised by the Company for the remainder of FY22, following issue of the Performance Rights, based on the market value of the Performance

Rights which has been calculated using a Black & Scholes pricing methodology, the basis of which is set out in Annexure 4.

Please see the Remuneration Report for further details.

- (vi) On 27 October 2020, Mr Stringer was issued 1,260,000 options under the Plan for no consideration, the details of which are summarised in Annexure 3. On 24 October 2019, Mr Stringer was issued 4,600,000 Shares under the Plan at an average acquisition price of \$1.565 per Share. Those Shares were issued on the exercise of an equivalent number of options that had been previously issued to Mr Stringer on 23 November 2017 and 23 January 2018 and for which no consideration was payable by Mr Stringer.

The material terms of each Performance Rights are set out in Annexure 2. The Board considers that the Performance Rights are an appropriate form of incentive for the reasons set out in this Explanatory Statement. The market value of the Performance Rights has been calculated using a Black & Scholes pricing methodology, the basis of which is set out in Annexure 4.

- (vii) Pursuant to the Plan and subject to shareholder approval sought by this The Company will issue the Performance Rights contemplated in this Resolution 4 as soon as practicable following the AGM and in any event no later than 3 years after the date of the Meeting.
- (viii) The Performance Rights will be issued for no consideration.
- (ix) A Summary of the Plan is set out in Annexure 1.
- (x) No loan will be provided to Mr Stringer in relation to the Issue at this time.
- (xi) Details of any securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 4 is approved and who were not named in this Notice will not participate until approval is obtained under that rule.
- (xii) A voting exclusion statement is included in this Notice.

Recommendation

The Directors (other than Mr Wesley Stringer) recommend that you vote in favour of Resolution 4.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by Mr Wesley Stringer, being the only Director who is eligible to participate in the Plan, and any of his associates. However, the Company need not disregard a vote if it is cast in favour of the resolution by:

- (i) a person as 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

- For personal use only
- (ii) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
 - (iii) 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 directions given by the beneficiary to the holder to vote in that way.

Additionally, in accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 4 by a member of the Company's Key Management Personnel and their Closely Related Parties unless the vote is cast:

- (i) as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form; or
- (ii) 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 4.

(b) Resolution 5 – Provision of Loan to the Chief Executive Officer in relation to 2020 Options

Resolution 5 seeks shareholder approval for the Company, under the terms of the Plan, to provide a loan of up to \$2,668,176 to the Chief Executive Officer, Mr Wesley Stringer, to assist him to exercise 1,260,000 options that were issued to him on 27 October 2020 (“**2020 Options**”), and to reconfirm the issue of the 2020 Options that were previously approved by Shareholders.

Background

At the Company’s last annual general meeting held on Tuesday 27 October 2020, shareholder approval was obtained for the Company to issue the 2020 Options to Mr Stringer. At that time, it was not contemplated that a loan would be made to Mr Stringer in connection with the issue of these options.

It is now proposed that the Company will provide a loan of up to \$2,668,176 to assist Mr Stringer to exercise the 2020 Options (the “**Loan**”), as is consistent with the incentive arrangements adopted by the Company in previous years. The Loan will be interest-free and limited recourse in accordance with the terms of the Plan, as is customary in such circumstances for ASX-listed company executives. The Plan requires the Loan to be repaid before Mr Stringer can sell any Shares acquired using the Loan.

Shareholder approval

ASX Listing Rule 10.14.1 provides that a listed company must not permit a director of the company to acquire equity securities under an employee incentive scheme unless the company obtains the approval of its shareholders.

As noted above, the Company obtained shareholder approval in relation to the issue of the 2020 Options on 27 October 2020, as it fell within Listing Rule 10.14.1 and therefore required the approval of Shareholders. However, shareholder approval was not obtained to provide a loan to Mr Stringer in relation to the exercise of these options.

Resolution 5 seeks the required shareholder approval for the Loan, and for completeness, confirmation of the issue of the 2020 Options, as previously approved by Shareholders. If Resolution 5 is passed, the Company will be able to proceed with the provision of the Loan. If Resolution 5 is not passed, the Company will not be able to proceed with the provision of the Loan, but Mr Stringer will remain entitled to the 2020 Options issued to him pursuant to the shareholder approval obtained on 27 October 2020.

Information required by Listing Rule 10.15

The following updated information relating to the issue of the 2020 Options is provided to Shareholders for the purposes of ASX Listing Rule 10.15:

- (i) Mr Stringer is a Director and falls into the category stipulated by Listing Rule 10.14.1.
- (ii) Shareholder approval is being sought for confirmation of the issue of 1,260,000 options under the Plan to Mr Stringer.
- (iii) The issue of the 2020 Options formed part of Mr Stringer's total remuneration package for FY21. Details of Mr Stringer's current remuneration are set out on page 11 of this Explanatory Statement.
- (iv) Details of securities previously issued to Mr Stringer under the Plan are set out on page 12 of this Explanatory Statement.
- (v) The material terms of the 2020 Options are set out in Annexure 3. At the time of issue, the Board considered that premium priced options were an appropriate form of incentive, as they encourage a focus on growing the Company's share price and total shareholder return, as the Company's share price will need to increase above the exercise price for the options to deliver any value to Mr Stringer. The market value of the 2020 Options were valued at \$0.08 using a Black & Scholes pricing methodology on their date of issue.
- (vi) The 2020 Options were issued to Mr Stringer on 27 October 2020 for no consideration.
- (vii) A Summary of the Plan is set out in Annexure 1.
- (viii) Pursuant to the Plan and subject to shareholder approval sought by this Resolution 5, the Company will provide the Loan to Mr Stringer to assist him to exercise the 2020 Options. As noted above, the Loan will be interest-free and limited recourse in accordance with the terms of the Plan. The Plan

requires the Loan to be repaid before Mr Stringer can sell any Shares acquired using the Loan.

- (ix) Details of the 2020 Options were published in the annual report of the Company for FY21, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (x) A voting exclusion statement is included in this Notice.

Recommendation

The Directors (other than Mr Wesley Stringer) recommend that you vote in favour of Resolution 5.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5 by Mr Wesley Stringer, being the only Director who is eligible to participate in the Plan, and any of his associates. However, the Company need not disregard a vote if it is cast in favour of the resolution by:

- (i) a person as 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
- (ii) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (iii) 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 directions given by the beneficiary to the holder to vote in that way.

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:

- (i) as a proxy for a person entitled to vote, in accordance with a direction on the Proxy Form; or
- (ii) 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 5.

Glossary of Terms

In the Notice and these Explanatory Notes:

Annual General Meeting or AGM	means the Annual General Meeting of the Company to be held online at 10.00 am (Melbourne time) on Wednesday 24 November 2021.
Annual Report	means the annual report of the Company for FY21.
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.
Chief Execution Officer or CEO	means the chief executive officer of the Company.
Chairperson	means the chairperson of the AGM.
Closely Related Parties	in relation to a member of KMP, means the member's spouse, child or dependent (or a child or dependent of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with the Company, and any company the member controls.
Company or Probiotec Limited	means Probiotec Limited.
Company Secretary	means the secretary of the Company.
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 FY21.
EGM	has the meaning given to that term in Section 2(b)(ii) of the Explanatory Statement.
EPS	has the meaning given to that term in Section 3(a) of the Explanatory Statement.

Explanatory Statement	means the explanatory statement, which forms part of the Notice.
Financial Report	means the financial report on the consolidated entity consisting of the Company and the entities controlled by the Company for FY21.
FY21	means the financial year ended 30 June 2021.
FY22	means the financial year ended 30 June 2022.
FY23	means the financial year ended 30 June 2023.
Glossary of Terms	means this glossary set out on page 18 of the Notice.
Issue	has the meaning given to that term in Section 3(a) of the Explanatory Statement.
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.
Managing Director	means the managing director of the Company.
Meeting	means the AGM.
Notice	means the notice of the AGM, including the Explanatory Statement and all annexures to those documents.
Ordinary Resolution	means a resolution passed by more than 50 per cent of the votes at a general meeting of Shareholders.
Performance Right	means an option to acquire a Share for no consideration, subject to certain vesting conditions prescribed by the Board.
Plan	means the Probiotec Executive Option Plan summarised in in Annexure 1 of this Notice
Proxy Form	means the proxy form accompanying this Notice.
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.
Resolution	means the resolutions set out in the Notice, or any one of them, as the context requires.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.

Spill Resolution has the meaning given to that term in Section 2(b)(ii) of the Explanatory Statement.

Vesting Conditions has the meaning given to that term in Section 3(a) of the Explanatory Statement.

Annexure 1 – Summary of Executive Option Plan

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 the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and any individual who the Board determines to be an executive of a Group Company (including heads of department and the Company's chief accountant).
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.
Loans	The Company is authorised to provide Acquisition Loans to participants for the purpose of funding the exercise price of Options. Acquisition Loans will not bear interest.
Loan Share restrictions	The Plan requires an Acquisition Loan to be repaid before a participant can sell any Shares issued to them on the exercise of Options, the exercise price of which is funded (either in part or full) by an Acquisition Loan.
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	The 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 14/1000 with respect to employee share scheme offers made without a prospectus.
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.

Annexure 2 – Material Terms of the Performance Rights

Overview	Each Performance Right, once vested and exercised, entitles Mr Stringer to acquire one Share.
Grant Date	The Performance Rights will be issued as soon as practicable following the AGM (“ Grant Date ”).
Vesting Date	Mr Stringer may exercise a Performance Right, on and from the release of the Company’s audited results for FY23 (“ Vesting Date ”).
Vesting Conditions	See section 3(a) of the Explanatory Statement.
Expiry Date	If Mr Stringer does not exercise the Performance Rights by the first anniversary of the Vesting Date (“ Expiry Date ”), the Performance Rights will expire and will not be capable of exercise.
Exercise Price per Option	Nil consideration

Annexure 3 – Material Terms of the 2020 Options

Overview	Each option, once vested and exercised, entitles Mr Stringer to acquire one Share.
Grant Date	The options were issued on 27 October 2020 (“ Grant Date ”).
Vesting Date	Mr Stringer may exercise an option, on and from the second anniversary of the Grant Date, being 27 October 2022 (“ Vesting Date ”).
Vesting Conditions	Mr Stringer must remain employed by the Company on the Vesting Date.
Expiry Date	If Mr Stringer does not exercise the 2020 Options by the first anniversary of the Vesting Date (“ Expiry Date ”), the 2020 Options will expire and will not be capable of exercise.
Exercise Price per Option	20% premium to the 10-day VWAP prior to the Grant Date, being \$2.1176 per option.

Annexure 4 – Summary of Performance Rights Valuation

Share Price ¹	\$2.14
Exercise Price	nil
Vesting Date	Release of FY23 audited financial statements (estimated as 25 August 2023)
Expiry Date	1 year from Vesting Date (estimated as 25 August 2024)
Volatility	21%
Risk Free Rate	1.25%
Dividend Rate	2.3%
Indicative Value per Option	\$1.99

Notes:

1. Please note that this figure is indicative at this time and will be adjusted for the actual Share Price at the Grant Date.



Probiotec Limited (“PBP”) Online AGM Guide

Annual General Meeting

24 November 2021

10.00 am

PBP is holding its Annual General Meeting via Zoom

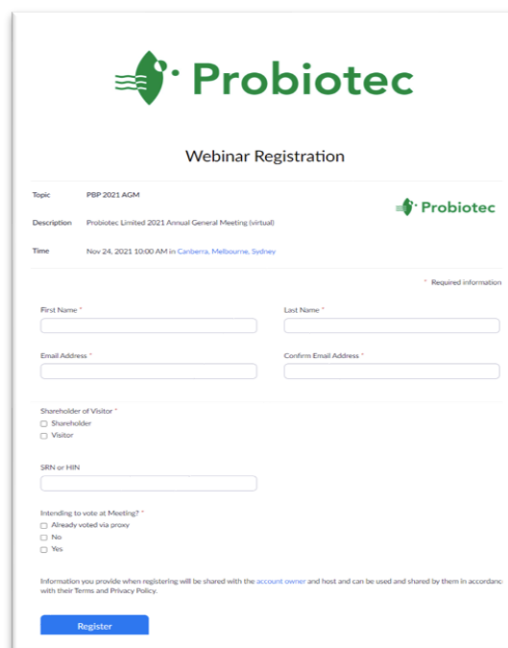
You are invited to follow the instructions below to register and join the meeting

Step 1: Register to attend the AGM

https://us06web.zoom.us/webinar/register/WN_qo58HyeURPGkZ2eOvUzTRA

Anyone can join PBP's AGM but only shareholders (or their proxies) are able to vote or ask questions.

If you are a shareholder or a proxy holder, please ensure you enter your SRN or HIN. If you do not then you will not be allowed to ask questions and your live vote will not be counted.



Probiotec

Webinar Registration

Topic: PBP 2021 AGM

Description: Probiotec Limited 2021 Annual General Meeting (Virtual)

Time: Nov 24, 2021 10:00 AM in Canberra, Melbourne, Sydney

* Required information

First Name *

Last Name *

Email Address *

Confirm Email Address *

Shareholder or Visitor *

☐ Shareholder

☐ Visitor

SRN or HIN

Intending to vote at Meeting? *

☐ Already voted via proxy

☐ No

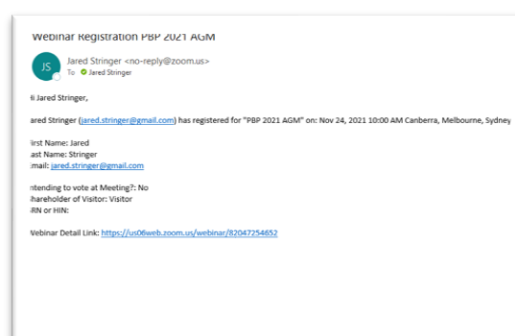
☐ Yes

Information you provide when registering will be shared with the account owner and host and can be used and shared by them in accordance with their Terms and Privacy Policy.

Register

Step 2: Access your invitation email

After registering, you will receive an email with details of how to join the AGM including a link. If you do not receive an email, check your junk mail and/or complete the registration again.



Webinar Registration PBP 2021 AGM

Jared Stringer <no-reply@zoom.us>
to: Jared Stringer

Hi Jared Stringer,

Jared Stringer (jared.stringer@gmail.com) has registered for "PBP 2021 AGM" on: Nov 24, 2021 10:00 AM Canberra, Melbourne, Sydney

First Name: Jared
Last Name: Stringer
Email: jared.stringer@gmail.com

Intending to vote at Meeting?: No
Shareholder or Visitor: Visitor
SRN or HIN:

Webinar Detail Link: <https://us06web.zoom.us/j/9047254552>

Step 3: Download Zoom Client

If you already have Zoom installed you can skip this step.

Visit: <https://zoom.us/download>

Or search for Zoom Client Meetings in your browser, iOS App Store or Google play store.

You can also join the AGM by phone, using the details in the registration email.

Step 4: Test your Zoom client prior to the AGM

The AGM is scheduled to commence at 10.00 am on 24 November 2021. You can test your Zoom client by clicking on the link in the invitation email.

For technical issues, please visit the [Zoom Help Centre](#).

Step 5: Join the AGM

Join the AGM by clicking on the link in your invitation email.

We recommend you join the AGM at least 5 minutes before the commencement, to ensure you are able to connect and resolve any potential technical issues.

Note, support for connectivity will not be provided after the commencement of the AGM. If you are unable to join via Zoom, please refer to your invitation email which has dial-in numbers to enable you to join by telephone.

What to do if you have problems joining the AGM:

1. Try restarting your Zoom client.
 2. Revisit your invitation email and ensure you are selecting the correct link to join.
 3. Try another device such as your smartphone. Zoom works on both iPhone and Android devices.
 4. Dial into the AGM by phone on the phone numbers provided in your invitation email.
-

How to ask a question during the AGM

Please note that only shareholders or proxy holders will be entitled to ask questions

Shareholders (who have entered their SRN or HIN during registration), or proxy holders can ask questions at the specified time in the meeting.

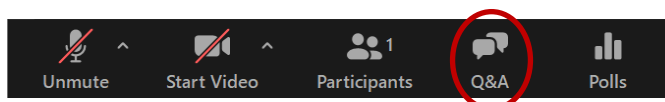
You can submit a question to the board or management online by typing in via the Q&A function in Zoom. All questions are to be submitted via Q&A as there will not be an option to ask questions verbally.

We cannot guarantee all questions will be answered during the AGM, but we will endeavour to address your concerns as best as we can.

Step 1: Click on the 'Q&A' button in Zoom

Navigate to the bottom of the Zoom window and the menu bar will appear.

Click on the 'Q&A' button circled to the right.



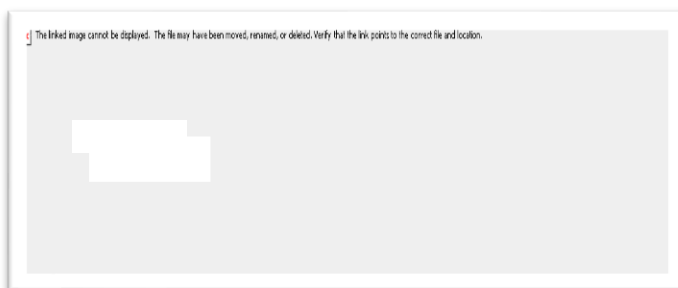
Step 2: Type your question

When the Q&A window opens, please type:

- Who your question is directed to; &
- What question you would like answered.

Please attempt to make your questions as clear and concise as possible as this will assist in our ability to answer any questions promptly and correctly without the need to seek clarification.

Please also ensure that any questions have appropriate language as any abusive or vulgar remarks will see the question disregarded and the submitter ejected from the meeting.



Step 3: Await a response

PBP will attempt to answer as many questions as possible. For simple questions, these may be answered directly in the Q&A function whereby you will receive a notification that an answer has been given. Questions may also be answered verbally, in which case the moderator of the meeting will read out the question and it will then be answered by the relevant PBP representative.

How to ask a vote during the AGM

Please note that only shareholders or proxy holders who have not already submitted votes will be entitled to vote live

Step 1: Complete the voting card

Towards the end of the meeting, the Chairman will indicate that voting is now open and the voting card will appear on your screen.

There are 5 items to be voted on. Please ensure that for each item you select either:

- For;
- Against; or
- abstain

Use the scroll bar on the right of the poll window to move through the resolutions.

If you have already voted or do not wish to vote, please just click the 'X' on the top right of the Poll window to close it.

If you have already voted via proxy prior to the meeting and then vote again using the voting card during the meeting, your prior vote will not be valid.

After completing all the items in the vote, simply click on the 'Submit' button at the bottom of the Poll window.



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 10:00am (Melbourne time) on Monday, 22 November 2021.**

📱 TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/pbpagm2021>

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 securityholder 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 (Melbourne time) on Monday, 22 November 2021.** 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** <https://www.votingonline.com.au/pbpagm2021>

📠 **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

☐

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 securityholder) 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 virtually via zoom at 10:00 am (Melbourne time) on Wednesday, 24 November 2021 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, 4 & 5, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 4 & 5 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all available undirected proxies in favour of all Items of business (including Resolutions 1, 4 & 5). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote for, against, or to abstain from voting on an item, you must provide a direction by marking the 'For', '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	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To re-elect Mr Jonathan Wenig as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To re-elect Mr Simon Gray as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Performance Rights to the Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Provision of Loan to the Chief Executive Officer in relation to 2020 Options	<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 / / 2021