



Bubs Australia Limited  
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31 October 2018

**NOTICE OF ANNUAL GENERAL MEETING**

In accordance with the Listing Rules, Bubs Australia Limited provides a copy of its 2018 Notice of Annual General Meeting and Shareholder voting form.

Jay Stephenson  
Company Secretary

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**BUBS AUSTRALIA LIMITED**

**ACN 060 094 742**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11:00 am (EDST)

**DATE:** 28 November 2018

**PLACE:** Ashurst Australia  
Level 11  
5 Martin Place  
Sydney NSW 2000

A copy of the Bubs Australia Limited 2018 Annual Report can be found at:

**[www.investor.bubsaustralia.com](http://www.investor.bubsaustralia.com)**

*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.*

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**IMPORTANT INFORMATION**

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**TIME AND PLACE OF MEETING**

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Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11 am (EDST) on 28 November 2018 at Ashurst Australia, Level 11, 5 Martin Place, Sydney NSW 2000.

**YOUR VOTE IS IMPORTANT**

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

**VOTING ELIGIBILITY**

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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 (EDST) on 26 November 2018.

**VOTING IN PERSON**

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

**VOTING BY PROXY**

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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.

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.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. 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 2018.”*

**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.

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#### 2. 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 Mr Dennis Lin, who retires as a Director in accordance with Clause 14.2 of the Constitution, and being eligible, is re-elected as a Director.”*

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#### 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR JOHN GOMMANS

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

*“That Mr John Gommans, who retires as a Director in accordance with Clause 14.2 of the Constitution, and being eligible, is re-elected as a Director.”*

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#### 4. 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 ratify the allotment and issue of 222,222 Shares to professional and sophisticated investors, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**5. 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 ratify the allotment and issue of 53,500,000 Shares to professional and sophisticated investors, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. RESOLUTION 6 – 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 7.1 and for all other purposes, approval is given for the Company to issue 4,770,810 Options to Kristy Carr (or her nominees) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Kristy Carr or her nominees, her related parties or any of their associates, or by any person who may participate in the issue of Equity Securities under this Resolution and any person who might obtain a benefit, except a benefit solely in the capacity as a holder of Shares, if the Resolution is passed and any associates of those persons.

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.

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**7. RESOLUTION 7 – ENABLE THE ISSUE OF OPTIONS UNDER AN EMPLOYEE INCENTIVE SCHEME – INCENTIVE OPTION PLAN**

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given to enable the Company to issue Options under the employee incentive scheme titled Incentive Option Plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**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:
  - (i) the proxy is the Chair; and
  - (ii) 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.

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**8. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY**

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

*“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of Shares, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**DATED: 30 OCTOBER 2018**

**BY ORDER OF THE BOARD**

Jay Stephenson  
**Company Secretary**

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## EXPLANATORY STATEMENT

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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

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#### 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 2018, 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 [www.bubsaustralia.com](http://www.bubsaustralia.com).

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#### 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 senior management 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 2018.

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.

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

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 and ASX Listing Rule 14.4.

The Company's has three Directors, Mr Dennis Lin, Mr Matthew Reynolds, and Mr John Gommans who are eligible for retirement by rotation. As Mr Matthew Reynolds stood for re-election at the 2017 AGM and Mr John Gommans is up for re-election under Resolution 3, 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 Lin 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 Hokkien.

The Board has considered Mr Lin's independence and considers that he is an independent Director.

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

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**4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR JOHN GOMMANS**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution, any Director so appointed holds office only until the conclusion of the next general meeting and is then eligible for re-election by Shareholders at that meeting but if that meeting is an annual general meeting, shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that annual general meeting.

Mr John Gommans, having been appointed by other Directors on 20 December 2017 in accordance with the Constitution, will retire in accordance with the Constitution and being eligible, seeks election from Shareholders.

***Bio of Mr John Gommans***

John Gommans comes from a dairy farming family and pioneered the goat milk powder industry in Australia. In 2005, John purchased a dairy production facility and farm in the Gippsland region. This was the genesis of NuLac Foods, which went on to become the largest producer of goat milk products in Australia and has now been acquired by Bubs Australia. John is responsible for the management of the company's milk supply and production facility. John has held senior executive positions in NZ's Northland Dairy Coop dairy and has served on several agricultural company boards. John has a B.Agr Sc from Massey university and a post graduate Management Diploma from Monash Mt Eliza.

The Board has considered Mr Gommans' independence and considers that he is not an independent Director.

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

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**5. RESOLUTIONS 4 AND 5 – RATIFICATION OF PRIOR ISSUE OF SHARES**

**5.1 General**

On 19 January 2018, the Company issued 222,222 Shares via a placement to professional and sophisticated investors at \$0.45 per Share to raise \$99,999. This related to the September 2017 Placement that was not issued at the time due to a technical issue during the DVP settlement process.

On 26 June 2018, the Company issued 53,500,000 Shares via a placement to professional and sophisticated investors at \$0.75 per Share to raise \$40,125,000.

(the **Placements**).

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

ASX Listing Rule 7.1 provides that a company may issue Equity Securities up to 15% of its Shares on issue in a 12 month period without obtaining shareholder approval. 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 deemed to have 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 ratified by shareholders.

If the Placement is ratified, the Company will retain 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 this Resolution to ratify the Placement.

## 5.2 Technical Information Required by ASX Listing Rule 7.4

Pursuant to and 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) 53,722,222 Shares were issued using the Company's capacity under ASX Listing Rule 7.1 and accordingly shareholder approval under ASX Listing Rule 7.4 is sought;
- (b) 222,222 Shares were issued on 19 January 2018 and 53,500,000 Shares were issued on 26 June 2018;
- (c) the Shares issued on 19 January 2018 were issued at a price of \$0.45 per Share, and the Shares issued on 26 June 2018 were issued at a price of \$0.75 per Share;
- (d) the Shares will rank equally with the Company's current issued Shares;
- (e) the Shares were issued to sophisticated and professional investors. The Placement was arranged by Bell Potter Securities Limited and conducted by a bookbuild. None of the subscribers were related parties of the Company; and
- (f) the funds raised from the Placement will be used to provide working capital and funding to support China growth momentum and to fund capital expenditure to further enhance vertical integration and new milk supply agreements.

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

### 6.1 General

Resolution 6 seeks Shareholder approval for the issue of 4,770,810 Options on the terms and conditions set out in section 6.3 below to Kristy Carr (or her nominee) 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.

The terms and conditions of these Options are identical to the 2<sup>nd</sup> and 3<sup>rd</sup> tranches of the previous CEO Options. Mrs Carr became entitled to the CEO Options on her appointment as CEO.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 6 will be to allow the Company to issue the Options to Mrs Carr within 3 months of the Meeting, without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

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

## 6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the maximum number of Options is 4,770,810;
- (b) the Options will be issued shortly after the Meeting and, in any event, no later than 3 months after the date of the Meeting;
- (c) the Options will be issued in one tranche;
- (d) the Options will be issued for nil cash consideration in consideration for services to be provided by Kristy Carr pursuant to the terms of her employment agreement;
- (e) the Options will be issued to Kristy Carr or a related party of Kristy Carr), who is not a related party of the Company;
- (f) the Options will be issued on the terms and conditions set out in section 6.3 below; and
- (g) no funds will be raised from the issue of the Options as the Options are being issued in consideration for services to be provided by Kristy Carr pursuant to the terms of her employment agreement.

## 6.3 Terms of Options

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

<b>Number of Options</b>	4,770,810
<b>Exercise Price</b>	\$0.10
<b>Vesting Date</b>	Any time on or before the Expiry Date provided the Vesting Trigger has been satisfied.
<b>Vesting Trigger</b>	<ul style="list-style-type: none"><li>(i) 2,385,405 Options Vest in the Company 3 months after issue and on the achievement of \$30,000,000 in gross sales and \$2,000,000 in EBIT; and</li><li>(ii) 2,385,405 Options Vest in the Company 3 months after issue and on the achievement of \$50,000,000 in gross sales and \$4,000,000 in EBIT.</li></ul>
<b>Expiry Date</b>	Each Option will expire at 5:00pm (EST) on the earlier of: <ul style="list-style-type: none"><li>(i) three years after the date of issue; and</li><li>(ii) The date Kristy Carr ceases to be an employee of the Company.</li></ul>

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.

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

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. 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.

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## **7. RESOLUTION 7 – ENABLE THE ISSUE OF OPTIONS UNDER AN EMPLOYEE INCENTIVE SCHEME – INCENTIVE OPTION PLAN**

### **7.1 Background**

The Company proposes to adopt an employee incentive scheme titled ‘Incentive Option Plan’ (Option Plan).

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and future issue of Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

### **7.2 General**

Resolution 7 seeks Shareholders approval to enable the Company to issue Options under the Plan, in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue Options under the Plan to eligible employees over a period of 3 years from the date of approval without impacting on the Company’s ability to issue up to 15% of its total ordinary securities without prior Shareholder approval in any 12 month period.

Any issues of Options under the Plan to a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX’s opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

### **7.3 Previous issues**

Shareholders should note that no Options have previously been issued under the Plan.

### **7.4 Other employee incentive schemes**

Other than the Plan, the Company does not operate any other employee incentive schemes.

### **7.5 Key terms and conditions of the Plan**

A summary of the key terms and conditions of the Plan is set out in Schedule 1. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary (+61 8 9426 0666). Shareholders are invited to contact the Company if they have any queries or concerns.

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## **8. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **8.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**). The Company is an Eligible Entity.

If Shareholders approve Resolution 8, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 7.2 below).

The effect of Resolution 7 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 8 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 8 for it to be passed.

The Board unanimously **recommends** that Shareholders vote in favour of this Resolution to approve the 10% Placement Capacity.

### **8.2 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- a) is not included in the S&P/ASX 300 Index; and
- b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$214M.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being 441,505,857 Shares (ASX Code: BUB).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement to issue:
- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (b) plus the number of partly paid ordinary shares that became fully paid in the previous 12 months;
  - (c) plus the number of Shares issued in the previous 12 months with approval of Shareholders under Listing Rules 7.1 or 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval; and
  - (d) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### 8.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 8:

#### Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average market price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 4.3 (i), the date on which the Equity Securities are issued.

#### Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

### **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the economic and voting interests of Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below, subject to the assumptions listed below the table.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the market price of Shares being \$0.50 (the closing price of the Company's Shares on ASX on 22 October 2018) and the number of Equity Securities on issue as at 22 October 2018.

The table also shows:

- (i) two examples where Variable A has increased, by 50% and 100%. Variable A is the number of ordinary securities the Company will have on issue at the date of the Meeting. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue, share purchase plan or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 50% as against the current market price. The voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.



Variable A	Dilution			
	Issue Price (per Share)	\$0.25 (50% decrease in issue price)	\$0.50 (Issue price)	\$0.75 (50% increase in issue price)
441,505,857 (Current)	10% Voting Dilution	44,150,585 Shares	44,150,585 Shares	44,150,585 Shares
	Funds Raised	\$11,037,646.20	\$22,075,292.50	\$33,112,938.80
617,258,786 (50% increase)	10% Voting Dilution	61,725,879 Shares	61,725,879 Shares	61,725,879 Shares
	Funds Raised	\$15,431,469.80	\$30,862,939.50	\$46,249,409.20
883,011,714 (100% increase)	10% Voting Dilution	88,301,171 Shares	88,301,171 Shares	88,301,171 Shares
	Funds Raised	\$22,075,292.80	\$44,150,585.50	\$66,225,878.20

The table above uses the following assumptions:

1. There are 441,505,857 Shares on issue as at 22 October 2018.
2. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
3. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 and Rule 7.1A, or subsequently ratified under Listing Rule 7.4 at this Meeting.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

### **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the purposes of improving the Company's financial flexibility to take advantage of future growth opportunities, and to fund its general working capital.

### **Allocation under the 10% Placement Capacity**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including, but not limited to:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, a pro-rata entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined but may include current Shareholders or new investors (or both) who are not related parties of the Company. Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Capacity will be vendors of the new assets or investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities under the 10% Placement Facility.

### **Previous issues of Securities under ASX Listing Rule 7.1A**

The Company previously obtained approval under ASX Listing Rule 7.1A on 14 December 2017. In the 12 months precenting this Notice of Annual General Meeting, the Company has issued 142,459,857 equity Securities which represents 32.2% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of the Equity Securities issued in the 12 month period are outlined in Schedule 2 to this Notice of Meeting.

### **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

## **8.4 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 9.

## Glossary

**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 8.1 of this Notice.

**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.

**Consideration Shares** means the Shares proposed to be issued to the Individual Sellers pursuant to Resolution 7, as part consideration for the Transaction.

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

**Directors** means the current directors of the Company.

**EBIT** means earnings before interest and tax.

**EBITDA** means earnings before interest, tax, depreciation and amortisation.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**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.

**EST** means Eastern Standard Time as observed in Sydney, New South Wales.

**EDST** means Eastern Daylight Savings Time as observed in Sydney, New South Wales.

**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 2018.

**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.

**Shareholder** means a holder of a Share.

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## SCHEDULE 1

### TERMS AND CONDITIONS OF INCENTIVE OPTION PLAN

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The principle terms of the Incentive Option Plan (**Option Plan**) are summarised below:

- (a) **Eligibility:** Participants in the Option Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each a **Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**) or as otherwise permitted by the Board in its sole discretion; or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options under the Option Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Options, upon the terms set out in the Option Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Option Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the Option Plan or their nominee where the Options have been granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Options due to:
- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Options; or
  - (ii) a Change of Control occurring; or
  - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in the Option;
  - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iii) in respect of unvested Option only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iv) in respect of vested Options only, a relevant person ceases to be an Eligible Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
  - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
  - (vi) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option;
  - (vii) the expiry date of the Option.
- (h) **Not transferrable:** Options are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Option Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
- (k) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (l) **No Participation Rights:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

- (m) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Options and subject to compliance with the ASX Listing Rules, an Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
- (n) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **Amendments:** Subject to express restrictions set out in the Option Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Option Plan, or the terms or conditions of any Option granted under the Option Plan including giving any amendment retrospective effect.
- (p) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Options, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Option Plan to effect the establishment of such a trust and the appointment of such a trustee.

**Definitions:** Capitalised terms used in the above summary are as defined in the Option Plan, including:

**Associated Body Corporate** means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**Change of Control** means:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in more than 50% of the Company's issued Shares;
- (b) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

**Relevant Person** means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a nominee of an Eligible Participant, that Eligible Participant.

**Special Circumstances** means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
  - (i) death or Total or Permanent Disability of a Relevant Person; or
  - (ii) Retirement or Redundancy of a Relevant Person;
- (b) a Relevant Person suffering Severe Financial Hardship;
- (c) any other circumstance stated to constitute “Special Circumstances” in the terms of the relevant Offer made to and accepted by the Participant; or
- (d) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.



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**SCHEDULE 2****DETAILS OF EQUITY SECURITIES ISSUED IN THE 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING**

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Issue Date	Number & Class of Securities	Allottees	Issue Price and discount Market Price (if applicable) & Funds Raised	Use of funds (and intended use for remaining funds, if any)
20.12.17	25,000,000 Fully Paid Ordinary Shares	Issued to institutional and sophisticated investors pursuant to Placement announced 3.11.17	\$0.60 \$15,000,000 15.5% discount to Market Price	Funds Spent: \$15,000,000 Funds Remaining: nil Use of Funds: improve the Company's financial flexibility to take advantage of future growth opportunities, and to fund its general working capital. Use of remaining funds: N/A
20.12.17	8,331,933 Fully Paid Ordinary Shares	Issued to institutional and sophisticated investors pursuant to Placement announced 3.11.17	\$0.60 \$4,999,160 15.5% discount to Market Price	Funds Spent: \$15,000,000 Funds Remaining: nil Use of Funds: improve the Company's financial flexibility to take advantage of future growth opportunities, and to fund its general working capital. Use of remaining funds: N/A
20.12.17	76,802,684 Fully Paid Ordinary Shares	Issued to Vendors of NuLac Foods as part of the consideration of the Acquisition of NuLac Foods as announced 3.11.17	As consideration for the Acquisition of NuLac Foods Current market value of shares \$38,401,342	Funds Spent: N/A Funds Remaining: N/A Use of remaining funds: N/A
19.1.18	222,222 Fully Paid Ordinary Shares	Issued to institutional and sophisticated investors pursuant to Placement announced 19.1.18	\$0.45 \$99,999 40% discount to Market Price	Funds Spent: \$99,999 Funds Remaining: nil Use of funds: working capital Use of remaining funds: N/A
26.6.18	53,500,000 Fully Paid Ordinary Shares	Issued to institutional and sophisticated investors pursuant to Placement announced 18.6.18	\$0.75 \$40,125,000 3.3% discount to Market Price	Funds Spent: \$6,806,391 – includes capital raising costs. Funds Remaining: 33,318,609 Use of funds: - capital raising costs and working capital Use of remaining funds: improving the Company's financial flexibility to take advantage of future growth opportunities, and to fund its general working capital.
3.7.18	3,578,108 Fully Paid Ordinary Shares	Issued to Shares on exercise of Options	\$0.10 \$357,810	Funds Spent: \$357,810 Funds Remaining: nil Use of Funds: working capital



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

## Lodge your vote:



**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

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



**For your vote to be effective it must be received by 11:00am (EDST) on Monday, 26 November 2018**

### 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.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

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

IND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

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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 at Ashurst Australia, Level 11, 5 Martin Place, Sydney, New South Wales on Wednesday, 28 November 2018 at 11am (EDST) 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, 6 & 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 6 & 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, 6 & 7 by marking the appropriate box in step 2 below.

### STEP 2

#### Items 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
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Dennis Lin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mr John Gommans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Issue of Options to Kristy Carr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Enable the Issue of Options under an Employee Incentive Scheme – Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of 10% Placement Capacity	<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.

### SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
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