

**Dividend Reinvestment Plan
Probiotec Limited
ACN 075 170 151**

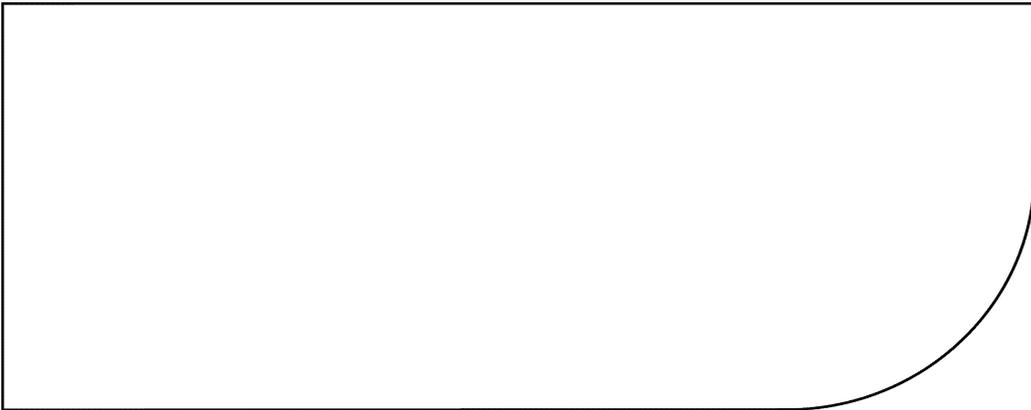


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1 The Plan

- 1.1 This plan is to be known as the Probiotec Limited Dividend Reinvestment Plan (**DRP**).
- 1.2 Under the **DRP**, Shareholders may elect to increase their Shareholding in the Company by reinvesting all or part of their dividends in additional Shares.
- 1.3 Participation by Shareholders in the **DRP** is optional and cannot be transferred.
- 1.4 The **DRP** will commence on a date determined by the Directors and notified to the Shareholders.

2 Eligibility

- 2.1 Subject to clause 2.2, any Shareholder is eligible to participate in the **DRP** unless the Shareholder's address, as it appears in the Register, is in a country or place other than Australia where, in the Directors' opinion, in the absence of a prospectus or other formality the offer of Shares under the **DRP** would or might be unlawful.
- 2.2 Shareholders who, under clause 2.1, are ineligible to participate in the **DRP**, may participate in the **DRP** with the approval of the Directors, in the Directors' absolute discretion.

3 Participation

- 3.1 Participation in the **DRP** is optional and is subject to the Terms, all applicable law, the Listing Rules and the Constitution.
- 3.2 If a Shareholder wishes to participate in the **DRP**, or vary the Shareholder's participation in ways permitted by these Terms, the Shareholder must complete a form prescribed by the Directors for that purpose. A form must be completed for each holding.

4 Level of Participation

- 4.1 A Shareholder may specify in the form completed under clause 3.2 that they elect full participation or a partial participation and specify the number of the Shareholder's Shares which the Shareholder wishes to participate in the **DRP**.
- 4.2 If an application to participate or to vary participation does not specify the number of the Shareholder's Shares which the Shareholder wishes to participate in the **DRP**, then the application will be deemed to specify full participation.
- 4.3 If the number of Shareholder's Shares specified is greater than the number of Shares held by the Shareholder, the application will be deemed to specify full participation.

4.4 The number of a Participant's Shares participating in the DRP will be the number of Shares specified or deemed to be specified in the Shareholder's application to participate in the DRP, as varied from time to time under clause 8.

4.5 A Shareholder's Participating Shares will participate in the DRP and dividends paid on those Participating Shares will be reinvested in new Shares in accordance with these Terms.

5 Operation

5.1 Subject to this clause 5, each dividend (net of Withholdings, if any) payable to a Participant in respect of Participating Shares will be applied by the Company to subscribe for Shares on the Participant's behalf.

5.2 The price at which each Share is issued under the DRP will be the Market Price of a Share discounted by an amount to be determined by the Directors in their absolute discretion but not exceeding 7.5%.

5.3 Market Price of a Share means:

- (a) the weighted average sale price per Share of all Shares traded on ASX for the Price Determination Period for that dividend; or
- (b) if no Shares are traded during the Price Determination Period, the last sale price recorded on ASX prior to commencement of the Price Determination Period;

5.4 Price Determination Period means, in relation to a dividend, the period of five trading days up to and including the Record Date.

5.5 The number of Shares subscribed for by each Participant will be the exact number for that Participant in relation to the relevant dividend rounded:

- 5.5.1 up to the nearest whole number if the fraction is equal to or greater than half a Share; or
- 5.5.2 down to the nearest whole number if the fraction is less than half a Share and any fractional amount remaining will be forfeited.

5.6 If and to the extent that the DRP does not operate, the relevant dividend on Participating Shares must instead be distributed (net of Withholdings, if any) in cash to Participants in the same way as to Shareholders not participating in the DRP.

6 Issue of Shares

6.1 Shares issued under the DRP will rank equally with existing Shares and must be issued in accordance with the Listing Rules.

7 Plan Statement

- 7.1 After each issue made, under the DRP, the Company must provide each Participant with a statement detailing:
- 7.1.1 the number of Participating Shares of that Participant at the relevant Record Date;
 - 7.1.2 the total amount of the dividend payable on those Shares;
 - 7.1.3 the number of Shares issued to the Participant under the DRP and the date of issue of those Shares;
 - 7.1.4 the issue price of each Share issued to the Participant under the DRP;
 - 7.1.5 the franking credits (if any) applicable to the dividend paid or reinvested under the DRP;
 - 7.1.6 the new total holding after the issue of the Shares; and
 - 7.1.7 any other information as determined by the Directors from time to time.

8 Changes to Participation

- 8.1 A Participant may at any time, by notice in writing to the Company in a form prescribed by the Directors terminate the Participant's participation in the DRP or, subject to these Terms, increase or decrease the number of the Participant's Participating Shares.
- 8.2 If a Participant with partial participation disposes of some of the Participant's Shares then, unless the Participant advises the Company otherwise in writing in accordance with clause 10, then the disposal will be deemed to include:
- 8.2.1 first, all the Participant's Shares not participating in the DRP; and
 - 8.2.2 secondly, some or all of the Participant's Shares which participate in the DRP (if any).

9 Share Transfers and Other Changes in Shareholding

- 9.1 The number of a Participant's Participating Shares will be the number determined in accordance with clause 4, irrespective of changes which have occurred or may occur in the total number of a Participant's Shares.

10 Applications and Notices

- 10.1 Any notice of application by a Shareholder provided for in the Terms must be in writing, addressed to the Company or as otherwise directed by the Company and in the form prescribed (if any) for that purpose by the Directors.

- 10.2 Notices and applications received by the Company will be effective if received prior to 5.00pm (AEST) on the Record Date.

11 ASX Listing

- 11.1 The Company will promptly apply for quotation on the ASX of Shares issued under the DRP.

12 Modification, Suspension and Termination

- 12.1 The Directors may, at any time, modify the Terms, or terminate or suspend the DRP, on giving notice to Participants of the modification, suspension or termination.
- 12.2 Any disputes or disagreements arising under or in relation to the DRP or the Terms may be settled by the Directors in any way the Directors think appropriate and any determination made by the Directors will be final and binding.
- 12.3 The accidental omission to give notice of modification, suspension or termination to or the non-receipt of any notice by any Shareholder will not invalidate the modification, suspension or termination of the DRP.
- 12.4 The Company reserves the right to waive strict compliance with any of the provisions of these Terms.

13 Costs

- 13.1 Brokerage, commission and other transaction costs (including stamp duty) are not payable by the Participants in respect of any Shares issued under the DRP.

14 Taxation

- 14.1 Neither the Company, nor the Directors, its officers, employees, representatives or agents:
- 14.1.1 take any responsibility or assume any liability for, or as a consequence of, the taxation liabilities of Participants; or
 - 14.1.2 represent or warrant that a Participant will gain any taxation advantage, or will not incur a taxation liability or disadvantage, as a result of participation in the DRP.

15 Governing Law

- 15.1 The DRP and its operation and the terms and conditions will be governed by the laws of the State of Victoria.

16 Delegation

- 16.1 The Directors may delegate their obligations under these Terms to an authorised committee.

17 Set Off

- 17.1 A Participant may not participate in the DRP where, in accordance with the Constitution or any law, the Directors are entitled to retain all or part of a dividend payable in respect of that Participant's Participating Shares or the Company is entitled to a charge over such Participating Shares or over any dividend payable in respect of such Participating Shares, unless the Directors otherwise determine in their absolute discretion.

18 Definitions and interpretation

Definitions

- 18.1 In this document the following definitions apply:

AEST means Australian Eastern Standard Time;

ASX means the licensed marketing operated by Australian Stock Exchange Limited;

Constitution means the constitution of the Company as amended from time to time;

Directors means the board of directors of the Company from time to time;

DRP means the Dividend Reinvestment Plan of the Company conducted on these Terms;

Exact Number means, subject to clause 5.5, in relation to a dividend, the total amount of the dividend (net of Withholdings, if any) payable on the Participant's Participating Shares divided by the Market Price in relation to that dividend;

Listing Rules means the Official Listing Rules of ASX;

Participant means a Shareholder participating in the DRP;

Participating Shares means the number of a Participant's Shares calculated in accordance with clause 4;

Record Date has the meaning given by the Listing Rules;

Register means the register of members maintained by the Company, including both the principal register and any branch registers or sub-registers;

Shareholder means a person registered in the Register of the Company as a holder of Shares;

Shares means fully paid ordinary shares in the capital of the Company;

Terms means these terms and conditions of the DRP as modified from time to time in accordance with clause 12;

Trading Days means days on which the ASX is open for trading;

Withholdings means withholding tax and any other amounts (including without limitation, amounts withheld as a result of a failure to provide a tax file number) which the Company is required or permitted to withhold from a dividend payable on Participating Shares.

Interpretation

- 18.2 In this document, unless the context otherwise requires:
- 18.2.1 the singular includes the plural and vice versa;
 - 18.2.2 headings are for convenience only and do not affect interpretation;
 - 18.2.3 a reference to a clause is a reference to a clause of these Terms;
 - 18.2.4 an expression importing a natural person includes a firm, body corporate, an unincorporated association and an authority;
 - 18.2.5 a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing them, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute; and
 - 18.2.6 a reference to a document includes an amendment or supplement to, or replacement or novation of, that document.