

PROBIOTEC LIMITED

PROCESS FOR EVALUATION OF PERFORMANCE

1 Introduction

Probiotec Limited (“**Company**”) monitors and evaluates the performance of its board of directors (“**Board**”), its Board committees (“**Committees**”), individual directors (“**Directors**”) and members of the executive management of the Company (“**Senior Management**”) in order to fairly review and actively encourage enhanced Board, Committee, Director and Senior Management effectiveness.

Matters specifically reserved for the Board, as contained in the Company’s Board Charter, include the following:

- (a) reviewing and evaluating the performance of the Chief Executive Officer and Senior Management, and their remuneration and contractual arrangements;
- (b) annual review of the Board’s performance, composition and terms of reference;
- (c) annual review of the Committees’ performance, composition and terms of reference; and
- (d) review the independence of the Directors and carrying out succession planning for the Non-Executive Directors.

2 Board Evaluation

The process of evaluating the performance of the Board as a whole is the responsibility of the Board under the direction of the Chairman. The evaluation of Board performance involves the setting of annual Board objectives and an assessment by the Board at the conclusion of the year as to the extent to which the Board achieved its objectives.

3 Board Committees Evaluation

Each Board Committee will annually review its performance and report the results of the review to the Board. Based on the results of the performance review, where necessary, recommendations will be made to the Board for improving the effectiveness of the Committee.

The manner of the evaluation is generally to be determined by the Chairman of the relevant Committee, and will vary given:

- (a) the particular responsibilities of each Committee;
- (b) the number of Committee meetings; and
- (c) the number of Committee members.

4 Director Evaluation

Assessment of individual Directors performance is a process determined by the Chairman in consultation with the Board, and may involve mechanisms such as interviews, self assessment and peer review.

5 Senior Management

All of the Company's Senior Management are subject to annual performance reviews. The annual performance review involves a member of Senior Management being evaluated by the Chief Executive Officer with ultimate oversight by the Board.

The performance evaluation of the Chief Executive Officer is facilitated by the Chairman, with ultimate oversight by the Board.

The evaluation of the Chief Executive Officer and members of Senior Management may involve an assessment of a range of factors including the overall performance of the Company and the achievement of specific pre-determined goals.