

14 June 2016

The Companies Office  
Australian Securities Exchange Limited

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## Directors' Equity Based Incentives

**Bioxyne Limited** (the Company) (**ASX:BXN**) previously announced its corporate objectives for 2016 that focused on sales growth from its *Lactobacillus fermentum* PCC®.

### Equity based incentive remuneration package for Executive Director

The appointment of Dr Peter French as Executive Director to manage the scientific development of *Lactobacillus fermentum* PCC®, and widen the Company's sales and distribution opportunities for the PCC product, included a remuneration mix of cash and equity based incentives.

Subject to shareholder approval at the next available general meeting, the Board has proposed an equity based component based on the terms and conditions of the Company's existing Employee Option Scheme.

The components of Dr French's total remuneration package are as follows:

- A base cash **salary** of \$120,000 per annum plus compulsory superannuation contributions for part time remuneration;
- **Equity incentive package** totalling 6,000,000 options with the issuance of options to be staged as follows:
  - Short term incentive – Dr French to be granted of up to 1,000,000 options on achievement of agreed objectives.

When approved by shareholders these options will vest on 31 August 2016. Options have a three-year expiry term and issued with an exercise price equal of 2.82 cents, a 20% premium to the 30 day VWAP as at 14 June 2016, of 2.35 cents. As at today's share price these options have an estimated Black-Scholes value\* of \$13,054.

- Longer term incentives –
  - 2,000,000 options which vest on the achievement of the Company's budgeted net profit after tax (NPAT) for the 2017 financial year.

Options will be issued with an exercise price equal to a 35% premium to the 30 day VWAP as at 14 June 2016, of 2.35 cents, being 3.17 cents.

The options would be issued based on the below agreed matrix on 31 August 2017 with a three year expiry from that date:

<b>Achievement of 2017 Budgeted NPAT</b>	<b>Options Vesting %</b>	<b>Options to Issue</b>	<b>Estimated Black-Scholes Valuation* \$</b>
< 75% budgeted NPAT	NIL	NIL	NIL
>75% budgeted NPAT	40%	800,000	\$11,471
Achievement of NPAT or > 100% achievement of NPAT	100%	2,000,000	\$28,678

- 3,000,000 options which vest on the achievement of the Company's budgeted net profit after tax (NPAT) for the 2018 financial year.

Options will be issued with an exercise price equal to a 50% premium of the 30 day VWAP as at 14 June 2016, of 2.35 cents, being 3.52 cents.

The options would be issued based on the below agreed matrix on 31 August 2018, with a three year expiry from that date.

<b>Achievement of 2018 Budgeted NPAT</b>	<b>Options Vesting %</b>	<b>Options to Issue</b>	<b>Estimated Black-Scholes Valuation* \$</b>
< 75% budgeted NPAT	NIL	NIL	NIL
>75% budgeted NPAT	50%	1,500,000	\$23,133
Achievement of NPAT or > 100% achievement of NPAT	100%	3,000,000	\$46,267

The equity based incentives align the remuneration of the Executive Director with the Company's objectives of expanding sales from its *Lactobacillus fermentum* PCC® products.

#### **Options Issue to Non-Executive Directors**

Subject to shareholder approval at the next available general meeting, the board is recommending that shareholders approve the following equity based incentives for non-executive directors. The proposed options will be issued pursuant to the terms of the Employee Option Scheme with a three year expiry date.

The exercise price for the proposed options is set at a 20% premium to the 30 day VWAP as at 14 June 2016, of 2.35 cents, being 2.82 cents.

Director	Number of Options Issued	Estimated Black-Scholes Valuation* \$
Tony Ho (Non-Executive Chairman)	1,500,000	\$19,580.30
Patrick Ford (Chairman of Audit Committee, Non-Executive Director)	1,250,000	\$16,316.91
George Cameron-Dow (Non-Executive Director)	1,000,000	\$13,053.53

### Shareholder Approval

The proposed equity based incentives for the Executive Director and the Non-Executive Directors will be put before shareholders at the next available general meeting for their consideration and approval, pursuant to the Corporations Act and ASX Listing Rules.

**ENDS**

### About Bioxyne Limited

Bioxyne Limited (ASX:BXN) is an Australian life sciences, health and medical technologies company with a focus on immune health products.

Bioxyne has a strategic presence in the consumer dietary supplements and functional foods markets through its proprietary probiotic, *Lactobacillus fermentum* PCC®. Bioxyne is a company creating value for consumers and investors by delivering safe and effective solutions.

Bioxyne's focus is currently on the Company's probiotic business and proprietary product *Lactobacillus fermentum* PCC® which is supported by a manufacturing and distribution agreement with Chr. Hansen (Denmark) a global leader in the manufacturing of natural food additives and supplements products for the food, health, pharmaceutical and agriculture industries.

Bioxyne also has a sales distribution agreement with Nu-Skin Enterprises (USA) a successful worldwide multilevel marketing company which pride themselves in offering only quality solutions to their customers.

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