

BKM MANAGEMENT LIMITED

BKM MANAGEMENT LIMITED

[ABN: 61 009 146 543]

Notice of 2019 Annual General Meeting and Explanatory Memorandum

Date of Meeting: Tuesday, 26 November 2019

Time of Meeting: 3:00pm (Melbourne, Victoria, Australia time)

Registration from: 2:45pm (Melbourne, Victoria, Australia time)

Place of Meeting: Level 2, 62 Lygon Street, Carlton, Victoria, Australia 3053

*This is an important document. It should be read in its entirety.
If you are in doubt as to the course you should follow, consult your financial or other professional adviser.*

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

NOTICE OF 2019 ANNUAL GENERAL MEETING

Notice is hereby given that the 2019 Annual General Meeting of BKM Management Limited [ABN 61 009 146 543] will be held at Level 2, 62 Lygon Street, Carlton, Victoria, Australia 3053 on Tuesday, 26 November 2019 at 3:00pm (Melbourne, Victoria, Australia time).

The attached Explanatory Memorandum (**Memorandum**) is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice of General Meeting (**Notice**). The Memorandum is to be read in conjunction with this Notice.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

ORDINARY BUSINESS

RESOLUTION 1: NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:

"That the Company approve the adoption of the Remuneration Report, included in the Directors' Report, for the year ended 30 June 2019."

Voting Exclusion Statement:

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- a closely related party of such a member (referred to herein as **Restricted Voters**).

However, a person (**voter**) may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a Restricted Voter and the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on Resolution 1. The Chair may also exercise undirected proxies if the vote is cast on behalf of a person entitled to vote on Resolution 1 and the proxy appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of members of the key management personnel of the Company.

Voting Note:

Directors of the Company who are key management personnel whose remuneration details are included in the 2019 Remuneration Report, any other key management personnel whose remuneration details are included in the 2019 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1.

Further details in respect of Resolution 1 are set out in the Memorandum accompanying this Notice.

RESOLUTION 2: RE-ELECTION OF MR. BENJAMIN SONG YOUNG HUA AS A DIRECTOR

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

"That Mr. Benjamin Song Young Hua, who retires by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Further details in respect of Resolution 2 are set out in the Memorandum accompanying this Notice.

1. Proxy Instructions

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder. Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes, in which case any fraction of votes will be disregarded. A proxy may, but need not, be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the office of the Company's Company Secretary on +61 (0)3 9822 7735 not less than 48 hours before 3:00pm (Melbourne, Victoria, Australia time) on Tuesday, 26 November 2019.

The proxy form must be signed by the Shareholder (or in the case of a joint holding, by each joint holder) or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.

The appointment of one or more duly appointed proxies will not preclude a Shareholder from attending this meeting and voting personally. If the Shareholder votes on a resolution, the proxy must not vote as the Shareholder's proxy on that resolution.

A proxy form is attached to this Notice.

2. How the Chair Will Vote Undirected Proxies

Subject to the restrictions set out below and in the Notice, the Chair will vote undirected proxies in favour of all of the proposed resolutions.

3. Voting Restrictions

The Remuneration Report identifies key management personnel for the year ended 30 June 2019. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

Directors of the Company who are key management personnel whose remuneration details are included in the 2019 Remuneration Report, any other key management personnel whose remuneration details are included in the 2019 Remuneration Report, or any of their closely related parties, (**Restricted Voters**) will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1 provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

4. Corporate Representatives

Corporate representatives are requested to bring appropriate evidence of appointment as a representative in accordance with the constitution of the Company. Attorneys are requested to bring the original or a certified copy of the power of attorney pursuant to which they were appointed. Proof of identity will also be required for corporate representatives and attorneys.

5. Determination of Voting Entitlement

For the purpose of section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Board has determined that Shareholders entered on the Company's Register of Members at 7:00pm on 24 November 2019 (Melbourne, Victoria, Australia time) are entitled to attend and vote at the meeting.

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

For and on behalf of the Board of Directors:

A handwritten signature in black ink, appearing to be 'P. Hains', written over a horizontal line.

Mr Phillip Hains
Company Secretary
BKM Management Limited

Dated: 23 October 2019

EXPLANATORY MEMORANDUM

PURPOSE OF INFORMATION

This Explanatory Memorandum (**Memorandum**) accompanies and forms part of the Company's Notice of 2019 Annual General Meeting (**Notice**) to be held at Level 2, 62 Lygon Street, Carlton, Victoria, Australia 3053 on 26 November 2019 at 3:00pm (Melbourne, Victoria, Australia time) (**Meeting**).

The Notice incorporates, and should be read together with, this Memorandum.

ORDINARY BUSINESS

2019 Annual Financial Statements

The Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2019 will be laid before the meeting. Shareholders will have the opportunity to ask questions about, or make comments on, the 2019 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend, to answer questions about the audit of the Company's 2019 Annual Financial Statements.

The Company's 2019 Annual Financial Statements are set out in the Company's 2019 Annual Report which can be obtained from the Australian Stock Exchange website, www.asx.com.au.

There is no requirement for these reports to be formally approved by shareholders. No resolution is required to be moved in respect of this item.

Resolution 1 - Adoption of Remuneration Report

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 30 June 2019.

The Remuneration Report sets out details of the remuneration received by the directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks Shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of the vote on this resolution is advisory only and not binding on the Company or the Board.

The Corporations Act provides that members of the Key Management Personnel (as set out in the Company's 2019 Annual Report, and is defined in the Corporation Act to include the Chairman) whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report.

However, Sections 250U to 250Y of Corporations Act provide for a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report must contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2018 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a first strike.

The Remuneration Report is set out in the Company's 2019 Annual Report which can be viewed online from the Australian Stock Exchange website, www.asx.com.au.

As set out in the Notice, any member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, together with a closely related party of those members, are excluded from voting on Resolution 1.

The Chairman, subject to the restrictions set out in the Notice, intends to exercise all undirected proxies in favour of Resolution 1.

Resolution 2 - Re-Election of Director – Mr. Benjamin Song Young Hua

Under clause 12.2 of the Constitution and ASX Listing Rule 14.4, no Director shall retain office for a period in excess of three years (or beyond the third annual general meeting) without submitting himself or herself for re-election. A Director who retires from office by rotation and is eligible for re-election may offer him or herself for re-election.

Accordingly, Mr. Benjamin Song Young Hua retires by rotation in accordance with clause 12.2 of the Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election.

| | |
|------------------------|--|
| <i>First Appointed</i> | 25 June 2014 |
| <i>Qualifications</i> | Degree in Civil and Structural engineering (with honors) |
| <i>Experience</i> | <p>Mr Song has more than 18 years of experience in managing and running companies. He had worked in a consultancy firm where he handled many projects. From 2006 to 2009, Benjamin was a director and a manager of FX1 Capital Pte Ltd, where he managed funds for high net worth clients. He now sits on board with a property developing company, Bakken Development LLC developing projects in North Dakota.</p> <p>Benjamin is also involved in commodity trading including Gold, Oil, Coal and other precious metals since 2009, working with both buyers and sellers in the international.</p> |

The Directors (with Mr Song abstaining) recommend shareholders vote in favour of this Resolution.

GLOSSARY

In the Notice and Memorandum the following terms have the following meanings:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the listing rules of ASX.

Board means the board of directors of the Company.

Company or **BKM** means BKM Management Limited (ABN 61 009 146 543).

Constitution means the Company's constitution.

Corporations Act means Corporations Act 2001 (Cth).

Director means a current director of the Company.

Meeting means the 2019 Annual General Meeting of the Shareholders of the Company to be held at 3:00pm (Melbourne, Victoria, Australia time) on Tuesday, 26 November 2019, to which the Notice and Memorandum relate.

Memorandum means the explanatory memorandum to the Notice.

Notice means this notice of meeting of the Company.

Resolution means a resolution referred to in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

All references to currency are in Australian dollars unless otherwise stated.

BKM Management Limited

ABN: 61 009 146 543

("the Company")

Please return completed form to:
 The Company Secretary
 BKM Management Limited
 PO Box 655
 Carlton South, Victoria, 3053
 AUSTRALIA
OR: Fax: +61 (0)3 9822 7735

<SAMPLE NAME>

<SAMPLE ADDRESS>

<SAMPLE ADDRESS>

<SAMPLE ADDRESS>

SRN/HIN:

STEP 1 – Appointment of proxy

I/We being a shareholder/s of **BKM Management Limited** and entitled to attend and vote hereby appoint:

the Chair of the Meeting
(mark with an 'X')

OR

If you are not appointing the Chair of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered security holder) you are appointing as your proxy.

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 **2019 Annual General Meeting of BKM Management Limited to be held at Level 2, 62 Lygon Street, Carlton, Victoria, Australia 3053 on Tuesday, 26 November 2019 at 3:00 pm (AEDT)** 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.

If the Chair of the Meeting is appointed as your proxy, or may be appointed by default, by signing and returning this form, you expressly authorise the Chair of the Meeting to exercise your proxy in relation to Resolution 1, even though Resolution 1 relates to the remuneration of the Company's key management personnel. Where permitted, the Chair of the Meeting intends to vote undirected proxies in favour of Resolutions 1 to 2.

If you do not wish to appoint the Chair of the Meeting to vote on Resolutions 1 to 3(b) in this manner, it will be necessary for you to complete the vote directions in Step 2.

STEP 2 – Voting directions to your proxy – please mark to indicate your directions

| Ordinary business | For | Against | Abstain |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1: Non-Binding Resolution to Adopt Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2: Re-Election of Mr. Benjamin Song Young Hua as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

STEP 3 – PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or securityholder 1

Securityholder 2

Securityholder 3

Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

Contact name: Telephone: Date / / 2019

Email address:

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 3:00 PM (AEDT) ON 24 NOVEMBER 2019

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 – Appointment of proxy

Indicate here who you want to appoint as your proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman 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 Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company. Do not write the name of the issuer company or the registered member in the space.

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 provide evidence of his or her appointment by providing an "Appointment of Corporate Representative" form prior to admission. An Appointment of Corporate Representative form can be obtained from the Company.

Appointment of a second proxy

You are entitled to appoint up to two proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy Form may be obtained by telephoning the Company 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 (i.e. in the same envelope, or as a single fax).

STEP 2 – Voting directions to your proxy

You can tell your proxy how to vote. To direct your proxy how to vote, place a mark in one of the boxes opposite each resolution. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of securities 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 a resolution, your vote on that resolution will be invalid.

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 must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the Company. 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 must be signed by that person.

Please indicate the office held by signing in the appropriate place.

STEP 4 – Lodgement of a proxy

This proxy form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 3:00 pm on Sunday, 24 November 2019. Any proxy form received after that time will not be valid for the scheduled Meeting.

Proxies may be lodged:

BY MAIL BKM Management Limited
 PO Box 655
 Carlton South, VIC, 3053, Australia

BY FAX + 61 (0) 3 9822 7735

IN PERSON BKM Management Limited
 Level 3, 62 Lygon Street
 Carlton, VIC, 3053, Australia

Attending the Meeting

If you wish to attend the Meeting please bring this form with you to assist registration.