
BERONI GROUP LIMITED

ACN 613 077 526

NOTICE OF ANNUAL GENERAL MEETING

TIME: 12:00pm AEST

DATE: 16 July 2021

PLACE: Level 36, Gateway Tower,
1 Macquarie Place,
Sydney NSW 2000 Australia

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 on (+61 8) 9486 4036

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 12:00pm AEST on 16 July 2021 at:

Level 36, Gateway Tower
1 Macquarie Place
Sydney NSW 2000
Australia

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined that pursuant to Regulations 7.11.37 and 7.11.38 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 AEST on 14 July 2021.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting at the time, date and place set out above. Voting at the Meeting will be conducted by a poll.

VOTING BY PROXY

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.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes 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); and
- 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; and
- 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; and
- the appointed proxy is not the chair of the meeting; and
- 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;
 - 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.

BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2020 together with the declaration of the Directors, the Directors' Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, the following resolution as a **non-binding ordinary** 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 attached to this notice of AGM for the financial year ended 31 December 2020."

Note: Pursuant to section 250R(3) of the Corporations Act, 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):

- a) by or on behalf of any of the following persons:
 - (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; 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 the resolution.

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 in writing that specifies the way the proxy is to vote on this 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.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RICHARD BUCHTA

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

"That Mr Richard Buchta, a Director appointed to fill a casual vacancy, retires in accordance with clause 19.4 of the Constitution and, having offered himself for re-election and being eligible, is re-elected as a Director."

4. RESOLUTION 3 - RE-ELECTION OF DIRECTOR – MR CHEN CHIK (NICHOLAS) ONG

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

"That Mr Chen Chik (Nicholas) Ong, a Director appointed to fill a casual vacancy, retires in accordance with clause 19.4 of the Constitution and, having offered himself for re-election and being eligible, is re-elected as a Director."

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR BOQING (JACKY) ZHANG

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

"That Mr Boqing (Jacky) Zhang, having been appointed as a director on 17 June 2016, retires in accordance with clause 20.2 of the Constitution and, having offered himself for re-election and being eligible, is re-elected as a Director."

6. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY - MR BOQING (JACKY) ZHANG

To consider and, if thought fit, to pass, the following resolution as a **special** resolution:

"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 6,000,000 Options to Director, Mr Boqing (Jacky) Zhang (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."

A voting exclusion statement is set out below.

7. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – MR HAI HUANG

To consider and, if thought fit, to pass, the following resolution as a **special** resolution:

"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 1,500,000 Options to Director, Mr Hai Huang (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."

A voting exclusion statement is set out below.

8. RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY – MR LIBIN GUO

To consider and, if thought fit, to pass, the following resolution as a **special** resolution:

"That, for the purpose section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 950,000 Options to Director, Mr Libin Guo (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."

A voting exclusion statement is set out below.

9. RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY – MR YAP TING (PETER) WONG

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 3,000,000 Options to Director, Mr Yap Ting (Peter) Wong (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."

A voting exclusion statement is set out below.

10. RESOLUTION 9 – ISSUE OF OPTIONS TO RELATED – DR ZHINAN YIN

To consider and, if thought fit, to pass, the following resolution as a **special** resolution:

"That, for the purposes section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 600,000 Options to the Director, Dr Zhinan Yin (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."

A voting exclusion statement is set out below.

11. RESOLUTION 10 – ISSUE OF OPTIONS TO RELATED PARTY – MR RICHARD BUCHTA

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 600,000 Options to Director, Mr Richard Buchta (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."

A voting exclusion statement is set out below.

12. RESOLUTION 11 – ISSUE OF OPTIONS TO RELATED PARTY – MR CHEN CHIK (NICHOLAS) ONG

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, NSX Listing Rule 6.44, NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue of up to 600,000 Options to Director, Chen Chik (Nicholas) Ong (or his nominees) on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."

A voting exclusion statement is set out below.

Voting Exclusion Statements for Resolutions 5 to 11:

For the purpose of Chapter 2E of the Corporations Act and NSX Listing Rules 6.25 and 6.44 the Company will disregard any votes cast on:

- a) Resolution 5 by Mr Boqing (Jacky) Zhang and any of his associates, and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 5 is passed;
- b) Resolution 6 by Mr Hai Huang and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 6 is passed;
- c) Resolution 7 by Mr Libin Guo and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 7 is passed;

- d) Resolution 8 by Mr Yap Ting (Peter) Wong and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 8 is passed;
- e) Resolution 9 by Dr Zhinan Yin and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 9 is passed;
- f) Resolution 10 by Mr Richard Buchta and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 10 is passed;
- g) Resolution 11 by Mr Chen Chik (Nicholas) Ong and any of his associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution 11 is passed;

However, the Company need not disregard a vote by the above persons if:

- a) it is cast by the person as proxy for a person who is entitled to vote, under the directions on the proxy voting form; or
- b) it is not cast by the person on behalf of a related party or associate of a kind of the above persons.

Section 250BD applied to Resolutions 6 to 10 such that a vote must not be cast (in any capacity):

- a) by or on behalf of any of the following persons:
 - (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; 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 the resolution.

However, a person (the voter) described above may cast a vote on Resolutions 6 to 10 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 in 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 the Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

PROXIES

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 Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy 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 received by the Company not less than 48 hours prior to commencement of the Meeting.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each Resolution by marking either "For" or "Against" or "Abstain" on the form of proxy for that item of business.

Subject to voting restrictions set out in the Voting Exclusion Statement, the Chairperson will vote undirected proxies on, and in favour of all Resolutions.

DATED: 15 JUNE 2021

BY ORDER OF THE BOARD



MR CHEN CHIK (NICHOLAS) ONG
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information that the Directors believe to be material to Shareholders in deciding whether to pass the Resolutions that are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2020 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 NSX website <https://www.nsx.com.au/ftp/news/021739469.PDF> or by contacting the Company on +61 (8) 9486 4036.

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 company or the directors of 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 as attached to the 2020 Annual Report.

The Chair of the meeting will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (other than the managing director) who were in office at the date of approval of the applicable directors' report (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**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 most recent 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.

The Company's shareholders have approved the Remuneration Report at each previous annual general meeting. A Spill Resolution will not be required at this Annually General Meeting as the votes against the Remuneration Report at the Company's previous annual general meeting were less than 25%.

The Chair intends to cast all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

3. RESOLUTION 2 AND 3– RE-ELECTION OF MR RICHARD BUCHTA AND MR CHEN CHIK (NICHOLAS) ONG AS A DIRECTOR

Clause 19.4 of the Constitution requires that at a Director appointed by Board as an additional Director holds office until the next annual general meeting of the Company and is then eligible for re-election. Mr Richard Buchta was appointed to the Board on 1 July 2020. Mr Chen Chik (Nicholas) Ong was appointed to the Board on 1 March 2021. Accordingly, they will retire in accordance with clause 19.4 of the Constitution and being eligible, seeks re-election.

Details of Messrs Buchta and Ong's background and experience are set out in the Annual Report.

The Board (other than Messrs Buchta and Ong) unanimously supports the re-election of Messrs Buchta and Ong as directors and recommends that Shareholders vote in favour of Resolutions 2 and 3.

4. RESOLUTION 4 – RE-ELECTION OF MR BOQING (JACKY) ZHANG AS DIRECTOR

Clause 20.2 of the Constitution provides that unless otherwise determined by a resolution of the Company, while the Company is listed, one third of the Directors for the time being, or if their number is not a multiple of 3, then the whole number nearest one third, must retire from office at each annual general meeting. A Director who retires or whose office is vacated under this Constitution will be eligible for election or re-election to the Board.

The Company currently has eight (8) Directors and accordingly three (3) must retire.

Mr Boqing (Jacky) Zhang

Mr Boqing (Jacky) Zhang, the Director longest in office since his last election, retires by rotation and seeks re-election.

Details of Mr Zhang's background and experience are set out in the Annual Report.

The Board (other than Mr Zhang) unanimously supports the re-election of Mr Zhang as a director and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTIONS 5 TO 11– ISSUE OF OPTIONS TO RELATED PARTIES

Resolutions 5 to 11 seek Shareholder approval to permit the Company to issue an aggregate of 13,250,000 Shares to related parties, being directors Boqing (Jacky) Zhang, Hai Huang, Libin Guo, Yap Ting (Peter) Wong, Zhinan Yin, Richard Buchta and Chen Chik (Nicholas) Ong (**Related Parties**) as set out below:

Resolutions	Related Party	Relationship to Company	Options
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5	Boqing (Jacky) Zhang	Director	6,000,000
6	Hai Huang	Director	1,500,000
7	Libin Guo	Director	950,000
8	Yap Ting (Peter) Wong	Director	3,000,000
9	Zhinan Yin	Director	600,000
10	Richard Buchta	Director	600,000
11	Chen Chik (Nicholas) Ong	Director	600,000

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company without the Shareholders approval unless the benefit falls within one of the various exceptions to the general prohibition. A “related party” for the purposes of the Corporations Act includes a director of the Company. “Financial Benefit” has a broad meaning and includes the issue of securities by a public company.

The proposed offer of Shares to Directors Boqing (Jacky) Zhang, Hai Huang, Libin Guo, Yap Ting (Peter) Wong, Zhinan Yin, Richard Buchta and Chen Chik (Nicholas) Ong (or their nominees) will form part of their remuneration package. Given the circumstances of the Company and the Directors, the Directors consider that the proposed grant of Shares would constitute reasonable remuneration. Notwithstanding this, the Board has resolved that the Company should also seek Shareholder approval pursuant to Chapter 2E of the Corporations Act as a matter of good corporate governance.

Information required by Chapter 2E of the Corporations Act

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution

- a) The Related Parties to whom Resolutions 5 to 11 would permit the financial benefit to be given are Boqing (Jacky) Zhang, Hai Huang, Libin Guo, Yap Ting (Peter) Wong, Zhinan Yin, Richard Buchta and Chen Chik (Nicholas) Ong by virtue of being Directors.
- b) The nature of the financial benefit:
 - (i) 6,000,000 Shares to Boqing (Jacky) Zhang;
 - (ii) 1,500,000 Shares to Hai Huang;
 - (iii) 950,000 Shares to Libin Guo;
 - (iv) 3,000,000 Shares to Yap Ting (Peter) Wong;
 - (v) 600,000 Shares to Zhinan Yin;
 - (vi) 600,000 options to Richard Buchta
 - (vii) 600,000 options to Chen Chik (Nicholas) Ong
- c) Reasons for giving the benefit

The Options are being issued to the Related Parties as an incentive package.

- d) The existing relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares
Boqing (Jacky) Zhang	25,028,132
Hai Huang	2,041,766
Libin Guo	4,252,238
Yap Ting (Peter) Wong	520,000
Zhinan Yin	100,000
Richard Buchta	0
Chen Chik (Nicholas) Ong	64,954

- e) Total remuneration package

Related Party	Current Financial Year (\$)	Previous Financial year (\$)
Boqing Zhang	180,000	110,000
Hai Huang	80,000	55,000
Libin Guo	40,000	30,000
Yap Ting (Peter) Wong	120,000	80,000
Zhinan Yin	40,000	40,000
Richard Buchta ¹	36,000	18,000
Chen Chik (Nicholas) Ong ²	36,000	-

¹ Appointed on 1 July 2020 with annual director fee of \$36,000.

² Appointed on 1 March 2021 with annual director fee of \$36,000.

- f) Dilution

A total of 13,250,000 Options are proposed to be issued to the directors under Resolutions 5 to 11. If exercised, the Company's issued share capital will increase from 75,722,348 Shares to 88,972,348 (assuming no other Shares are issued) with the effect that existing Shareholders will be diluted by 17.5%.

- g) Valuation of the financial benefit to be given to the Related Parties:

The value of the Options proposed to be issued to the Related Parties is set out below:

Assumptions:	
Valuation date	4 June 2021
Market price of Shares	A\$1.25
Exercise price	\$2.67 to \$4
Expiry date (length of time from issue)	30 June 2024
Risk free interest rate	0.25%
Volatility (discount)	45.63%
Indicative value per Director Option	\$0.0532 to \$0.126
Total Value of Directors Options	\$1,404,892
Boqing (Jacky) Zhang	\$635,733
Hai Huang	\$158,933
Libin Guo	\$101,640
Yap Ting (Peter) Wong	\$317,867
Zhinan Yin	\$63,573
Richard Buchta ¹	\$63,573
Chen Chik (Nicholas) Ong ²	\$63,573

The Options to be issued to the Related Parties pursuant to Resolutions 5 to 11 have been valued by internal management.

h) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass the Resolutions.

NSX Listing Rule 6.44

NSX Listing Rule 6.44 requires a listed company to obtain Shareholder approval by special resolution prior to the issue of securities to a related party. For the purposes of Listing Rule 6.44, the following information is provided about the proposed issue:

- (a) The Options will be issued to Boqing (Jacky) Zhang, Hai Huang, Libin Guo, Yap Ting (Peter) Wong, Zhinan Yin, Richard Buchta and Chen Chik (Nicholas) Ong being Directors of the Company.
- (b) The maximum number of Options to be issued to the Related Parties is as follows:
 - (i) 6,000,000 Options to Boqing (Jacky) Zhang;
 - (ii) 1,500,000 Options to Hai Huang;

- (iii) 950,000 Options to Libin Guo;
 - (iv) 3,000,000 Options to Yap Ting (Peter) Wong;
 - (v) 600,000 Options to Zhinan Yin;
 - (vi) 600,000 Options to Richard Buchta; and
 - (vii) 600,000 Options to Chen Chik (Nicholas) Ong
- (c) the Options will be issued in consideration for services. Accordingly, no funds will be raised from the issue.
 - (d) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any NSX waiver or modification of the Listing Rules) and it is intended that the issues will occur on the same date.
 - (e) the Options, once exercised, will rank pari passu with existing Shares already on issue. Full terms and conditions of options are
 - (f) A voting exclusion statement is included in the Notice.

NSX Listing Rule 6.25

NSX Listing Rule 6.25 provides that a listed company must not, without shareholder approval, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid Ordinary Securities on issue at the commencement of that 12 month period (subject to specified exceptions).

In accordance with NSX Listing Rule 6.25, Resolutions 5 to 11 seek Shareholder approval to permit the Company to issue up to a total of 13,250,000 Options to the Directors and former director, Boqing (Jacky) Zhang, Hai Huang, Libin Guo, Yap Ting (Peter) Wong, Zhinan Yin, Richard Buchta and Chen Chik (Nicholas) Ong (or their nominees) for services so that the new shares to be issued by the Company under Resolutions 5 to 11 will not be included in the Company's 15% annual capacity for the purposes of NSX Listing Rule 6.25.

The following information is provided to Shareholders for the purposes of NSX Listing Rule 6.25:

- (a) A maximum of 13,250,000 Options are proposed to be issued under Resolutions 5 to 11, representing approximately 17.5% of current issued capital;
- (b) the recipients are the directors Boqing Zhang, Hai Huang, Libin Guo, Yap Ting (Peter) Wong, Zhinan Yin, Richard Buchta and Chen Chik (Nicholas) Ong;
- (c) the Options will be issued no later than one (1) month after the date of this Annual General Meeting;
- (d) the Options will be issued in consideration for services. Accordingly, no funds will be raised from the issue;
- (e) the Options, once exercised will rank pari passu with existing Shares already on issue;
- (f) no funds will be raised by the Company for Options issued under Resolutions 5 to 11; and
- (g) A voting exclusion statement for Resolutions 5 to 11 is included in the Notice of Meeting.

Recommendations

- a) Boqing (Jacky) Zhang declines to make a recommendation to Shareholders in relation to Resolution 5 as he has a material personal interest in the outcome of Resolution 5. Mr Zhang and his associates will not be entitled to vote on Resolution 5. The Directors, other than Mr Zhang, recommends that Shareholders vote in favour of Resolution 5.
- b) Hai Huang declines to make a recommendation to Shareholders in relation to Resolution 6 as he has a material personal interest in the outcome of Resolution 6. Mr Huang and his associates will not be entitled to vote on Resolution 6. The Director, other than Mr Huang recommend that Shareholders vote in favour of Resolution 6.
- c) Libin Guo declines to make a recommendation to Shareholders in relation to Resolution 7 as he has a material personal interest in the outcome of Resolution 7. Mr Guo and his associates will not be entitled to vote on Resolution 7. The Directors, other than Mr Guo recommend that Shareholders vote in favour of Resolution 7.
- d) Yap Ting (Peter) Wong declines to make a recommendation to Shareholders in relation to Resolution 8 as he has a material personal interest in the outcome of Resolution 8. Mr Wong and his associates will not be entitled to vote on Resolution 8. The Board, other than Mr Wong, recommend that Shareholders vote in favour of Resolution 8.
- e) Zhinan Yin declines to make a recommendation to Shareholders in relation to Resolution 9 as he has a material personal interest in the outcome of Resolution 9. Mr Yin and his associates will not be entitled to vote on Resolution 9. The Board, other than Mr Yin, recommends that Shareholders vote in favour of Resolution 9.
- f) Ricard Buchta declines to make a recommendation to Shareholders in relation to Resolution 10 as he has a material personal interest in the outcome of Resolution 10. Mr Buchta and his associates will not be entitled to vote on Resolution 10. The Board, other than Mr Buchta, recommends that Shareholders vote in favour of Resolution 10.
- g) Chen Chik (Nicholas) Ong declines to make a recommendation to Shareholders in relation to Resolution 11 as he has a material personal interest in the outcome of Resolution 11. Mr Ong and his associates will not be entitled to vote on Resolution 11. The Board, other than Mr Ong, recommends that Shareholders vote in favour of Resolution 11.

In forming their recommendations, each Director considered the experience and contribution of each other Related Party, the current market price of Shares and the current market practices when determining the number of Options to be issued.

As each of the Resolutions 5 to 11 are special resolutions, each Resolution must be approved by at least 75% of the total number of votes cast by Shareholders entitled to vote on the resolution.

The Chairman of the Meeting will cast undirected proxies in favour of the Resolutions 5 to 11. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 5 to 11, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

6. ENQUIRIES

Shareholders are required to contact the Company Secretary, Mr Chen Chik (Nicholas) Ong, on (+61 8) 9486 4036 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

AEST means Australian Eastern Standard Time

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

Board means the current board of directors of the Company.

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 BERONI GROUP LIMITED (ACN 613 077 526).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that NSX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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.

NSX means National Stock Exchange of Australia Limited ABN 11 000 902 063 or the National Stock Exchange, as the context requires.

NSX Listing Rules means the Listing Rules of NSX.

Ordinary Securities has the meaning set out in the NSX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the Remuneration Report as attached to this notice of AGM.

Resolutions means the resolutions set out in this Notice, or any one of them, as the context requires.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a holder of a Share.

SCHEDULE 1: TERMS AND CONDITIONS OF THE DIRECTOR OPTIONS

The terms and conditions of the Options are as follows:

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be equal to that price as shown in Schedule 2 based on achievement of the various performance milestones (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (AEST) on 30 June 2024 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Directors Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Directors Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give NSX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) apply for official quotation on NSX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the NSX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

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.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable with written notice by the Optionholder to the Company, subject to any restriction or escrow arrangements imposed by NSX or under applicable Australian securities laws.

(m) Cashless Exercise

In lieu of paying the aggregate Exercise Price under (b), an Optionholder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (**Cashless Exercise**):

$A = [B \times (C - D)] / C$, where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Optionholder pursuant to this paragraph (m);

B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Directors Options being exercised;

C = the Market Value of one Share determined as of the date of delivery to the Company Secretary of the Notice of Exercise; and

D = the Exercise Price.

For the purposes of this paragraph (m), **Market Value** means, at any given date, the volume weighted average price per Share traded on the NSX over the five (5) trading days immediately preceding that given date.

(n) Quotation

The Company does not intend to apply for the quotation of the Options on NSX.

SCHEDULE 2: ALLOCATION AND PERFORMANCE HURDLES

	Listing Milestone				Revenue Milestone # 1 (2021 - 2023)				Revenue Milestone #2 (2021 - 2023)				Revenue Milestone # 3 (2021 - 2023)				Clinical Trial Milestone (2021-2023)		
	No of Shares	Exercise Price	Vesting Condition		No of Shares	Exercise Price	Vesting Condition		No of Shares	Exercise Price	Vesting Condition		No of Shares	Exercise Price	Vesting Condition		No of Shares	Exercise Price	Vesting Condition
Boqing (Jacky) Zhang	2,000,000	US\$2	Listing on Nasdaq		1,000,000	US\$2	US\$3,000,000		1,000,000	US\$2.5	US\$5,000,000		1,000,000	US\$3	US\$7,000,000		1,000,000	US\$2	One clinical trial progresses to next phase
Yap Ting (Peter) Wong	1,000,000	US\$2	Listing on Nasdaq		500,000	US\$2	US\$3,000,000		500,000	US\$2.5	US\$5,000,000		500,000	US\$3	US\$7,000,000		500,000	US\$2	One clinical trial progresses to next phase
Hai Huang	500,000	US\$2	Listing on Nasdaq		250,000	US\$2	US\$3,000,000		250,000	US\$2.5	US\$5,000,000		250,000	US\$3	US\$7,000,000		250,000	US\$2	One clinical trial progresses to next phase
Libing Guo	300,000	US\$2	Listing on Nasdaq		150,000	US\$2	US\$3,000,000		150,000	US\$2.5	US\$5,000,000		150,000	US\$3	US\$7,000,000		200,000	US\$2	One clinical trial progresses to next phase
Zhinan Yin	150,000	US\$2	Listing on Nasdaq		100,000	US\$2	US\$3,000,000		100,000	US\$2.5	US\$5,000,000		100,000	US\$3	US\$7,000,000		150,000	US\$2	One clinical trial progresses to next phase
Richard Buchta	150,000	US\$2	Listing on Nasdaq		100,000	US\$2	US\$3,000,000		100,000	US\$2.5	US\$5,000,000		100,000	US\$3	US\$7,000,000		150,000	US\$2	One clinical trial progresses to next phase
Chen Chik (Nicholas) Ong	150,000	US\$2	Listing on Nasdaq		100,000	US\$2	US\$3,000,000		100,000	US\$2.5	US\$5,000,000		100,000	US\$3	US\$7,000,000		150,000	US\$2	One clinical trial progresses to next phase
TOTAL	4,250,000				2,200,000				2,200,000				2,200,000				2,400,000		

**PROXY FORM
APPOINTMENT OF PROXY
BERONI GROUP LIMITED
ACN 613 077 526**

ANNUAL GENERAL MEETING

I/We

of

being a member of BERONI GROUP LIMITED entitled to attend and vote at the Annual General Meeting, hereby
Appoint

Name of proxy

OR

☐

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given the Chairman intends to vote in favour of each item of business, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 12:00pm (AEST), on 16 July 2020 at Level 36, Gateway Tower, 1 Macquarie Place, Sydney NSW 2000 and at any adjournment thereof.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – ADOPTION OF REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – RE-ELECTION OF DIRECTOR – Richard Buchta	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – RE-ELECTION OF DIRECTOR – Mr Chen Chik (Nicholas) Ong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – RE-ELECTION OF DIRECTOR – Mr Boqing (Jacky) Zhang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – ISSUE OF OPTIONS TO RELATED PARTY – Mr Boqing (jacky) Zhang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – ISSUE OF OPTIONS TO RELATED PARTY – Mr Huang Hai	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – ISSUE OF OPTIONS TO RELATED PARTY – Mr Libin Guo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – ISSUE OF OPTIONS S TO RELATED PARTY – Mr Yap Ting (Peter) Wong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – ISSUE OF OPTIONS TO RELATED PARTY – Dr Zhinan Yin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – ISSUE OF OPTIONS TO RELATED PARTY – Mr Richard Buchta	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – ISSUE OF OPTIONS TO RELATED PARTY – Mr Chen Chik (Nicholas) Ong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

BERONI GROUP LIMITED
ACN 613 077 526

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at an Annual General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Minerva Corporate, PO Box 5638, St Georges Tce, Perth, WA 6831; or
 - (b) facsimile to the Company Secretary on facsimile number (+61 8) 9486 4799,
so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.