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**BERONI GROUP LIMITED**

**ACN 613 077 526**

**NOTICE OF GENERAL MEETING**

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**TIME:** 12:00pm AEST

**DATE:** 26 July 2022

**PLACE:** Level 16, 175 Pitt Street, 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

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### TIME AND PLACE OF MEETING

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Notice is given that the General Meeting of the Shareholders to which this Notice of Meeting relates will be held at Level 16, 175 Pitt Street, Sydney NSW 2000 Australia at 12:00pm AEST on 26 July 2022.

### YOUR VOTE IS IMPORTANT

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

### VOTING ELIGIBILITY

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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 General Meeting are those who are registered Shareholders at 7:00pm AEST on 22 July 2022.

### VOTING IN PERSON

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

### VOTING BY PROXY

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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.

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## BUSINESS OF THE MEETING

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### 1. RESOLUTION 1 – CONDITIONAL ISSUE OF SHARES TO UNDERWRITER

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

*"That, for the purpose of NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue and allotment of up to 10,000,000 fully paid ordinary shares (on a post consolidation basis) to the Underwriter at an issue price of no less than US\$4 conditional on the approval of the listing of the Company on the NASDAQ Capital Market, on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."*

#### **Voting Prohibition Statement:**

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 1 is passed;

However, the Company needs not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or

it is cast by the person chairing the Meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 2. RESOLUTION 2 – CONDITIONAL ISSUE OF SHARES PURSUANT TO UNDERWRITER OPTION

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

*"That, for the purpose of NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue and allotment of up to 1,500,000 fully paid ordinary shares (on a post consolidation basis) pursuant to the exercise of the Underwriter's over-allotment option, at an issue price equal to the offer price of fully paid ordinary shares sold into the NASDAQ offering, conditional on the approval of the listing of the Company on the NASDAQ Capital Market, on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."*

#### **Voting Prohibition Statement:**

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 2 is passed;

However, the Company needs not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or

it is cast by the person chairing the Meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

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### 3. RESOLUTION 3 – CONDITIONAL ISSUE OF WARRANTS

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

*"That, for the purpose of NSX Listing Rule 6.25, and for all other purposes, Shareholders approve the issue and allotment to the Underwriter of up to 800,000 warrants (on a post consolidation basis) exercisable at a price equal to 110% of the offer price of fully paid ordinary shares sold into the NASDAQ offering and expiring 5 years after the effective date of the Registration Statement, conditional on the approval of the listing of the Company on the NASDAQ Capital Market, on the terms and conditions set out in the explanatory statement accompanying this notice of meeting."*

#### **Voting Prohibition Statement:**

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 3 is passed;

However, the Company needs not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or

it is cast by the person chairing the Meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

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#### **4. RESOLUTION 4 – CONDITIONAL CONSOLIDATION OF SECURITIES**

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

*"That pursuant to section 254H(1) of the Corporations Act, Article 10.1(b) of the Constitution and for all other purposes, and conditional on the approval of the listing of the Company on the NASDAQ Capital Market, the issued capital of the Company be consolidated on the basis that:*

- (a) *every 2 Shares be consolidated into one Share;*
- (b) *every 2 Options be consolidated into one Option; and*
- (c) *the Convertible Notes be reorganised on analogous terms,*

*(**Consolidation**) with any resulting fractions of a Share, Option or Convertible Note rounded up to the next whole Share, Option or Convertible Note (as the case may be), with the consolidation to take effect within 12 months from the date of Shareholder approval on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

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#### **5. RESOLUTION 5 – CONDITIONAL CONSOLIDATION OF SECURITIES**

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

*"That pursuant to section 254H(1) of the Corporations Act, Article 10.1(b) of the Constitution and for all other purposes, and conditional on the approval of the listing of the Company on the NASDAQ Capital Market, the issued capital of the Company be consolidated on the basis that:*

- (a) *every 2.5 Shares be consolidated into one Share;*
- (b) *every 2.5 Options be consolidated into one Option; and*
- (c) *the Convertible Note be reorganised on analogous terms,*

*(**Consolidation**) with any resulting fractions of a Share, Option or Convertible Note rounded up to the next whole Share, Option or Convertible Note (as the case may be), with the consolidation to take effect within 12 months from the date of Shareholder approval on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

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**6. RESOLUTION 6 – CONDITIONAL CONSOLIDATION OF SECURITIES**

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

*"That pursuant to section 254H(1) of the Corporations Act, Article 10.1(b) of the Constitution and for all other purposes, and conditional on the approval of the listing of the Company on the NASDAQ Capital Market, the issued capital of the Company be consolidated on the basis that:*

- (a) every 3 Shares be consolidated into one Share;
- (b) every 3 Options be consolidated into one Option; and
- (c) the Convertible Notes be reorganised on analogous terms,

*(**Consolidation**) with any resulting fractions of a Share, Option or Convertible Note rounded up to the next whole Share, Option or Convertible Note (as the case may be), with the consolidation to take effect within 12 months from the date of Shareholder approval on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

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**7. RESOLUTION 7 – CONDITIONAL CONSOLIDATION OF SECURITIES**

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

*"That pursuant to section 254H(1) of the Corporations Act, Article 10.1(b) of the Constitution and for all other purposes, and conditional on the approval of the listing of the Company on the NASDAQ Capital Market, the issued capital of the Company be consolidated on the basis that:*

- (a) every 3.5 Shares be consolidated into one Share;
- (b) every 3.5 Options be consolidated into one Option; and
- (c) the Convertible Notes be reorganised on analogous terms,

*(**Consolidation**) with any resulting fractions of a Share, Option or Convertible Note rounded up to the next whole Share, Option or Convertible Note (as the case may be), with the consolidation to take effect within 12 months from the date of Shareholder approval on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

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**8. RESOLUTION 8 – CONDITIONAL CONSOLIDATION OF SECURITIES**

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

*"That pursuant to section 254H(1) of the Corporations Act, Article 10.1(b) of the Constitution and for all other purposes, and conditional on the approval of the listing of the Company on the NASDAQ Capital Market, the issued capital of the Company be consolidated on the basis that:*

- (a) every 4 Shares be consolidated into one Share;
- (b) every 4 Options be consolidated into one Option; and

- (c) the Convertible Notes be reorganised on analogous terms,

*(Consolidation) with any resulting fractions of a Share, Option or Convertible Note rounded up to the next whole Share, Option or Convertible Note (as the case may be), with the consolidation to take effect within 12 months from the date of Shareholder approval on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.*

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**9. RESOLUTION 9 – CONDITIONAL WITHDRAWAL OF LISTING ON NSX**

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

*“That, for the purposes of NSX Listing Rule 2.25 (Section 2A) and for all other purposes, and conditional on the approval of the listing of the Company on the NASDAQ Capital Market, the Directors of the Company are authorised to voluntarily withdraw the listing of the Company from the official list of the National Stock Exchange of Australia Limited, in the manner described in the Explanatory Statement accompanying this Notice.”*

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**10. RESOLUTION 10 – AMENDMENT TO CONSTITUTION**

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

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its Constitution as set out in Section 4 of the Explanatory Statement with effect from the close of the Meeting.”*

**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.

**Undirected proxies**

The Chair of the Meeting will cast undirected proxies in favour of Resolutions 1 to 10. 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 1 to 10, 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.

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**DATED: 27 JUNE 2022**

**BY ORDER OF THE BOARD**

**MR CHEN CHIK (NICHOLAS) ONG**  
**COMPANY SECRETARY**



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## EXPLANATORY STATEMENT

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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.

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### 1. BACKGROUND TO RESOLUTIONS 1 TO 9

#### 1.1 General

The Company is a diversified global biopharmaceutical enterprise with subsidiaries in the United States, Australia, China, Hong Kong and Japan. Its Shares are listed on the National Stock Exchange of Australia (**NSX**) under the code “BTG” and traded on the over-the-counter market in the United States (OTCQX) under the symbol “BNIGF”.

As announced on 22 December 2021, the Company has applied to list its ordinary shares on the NASDAQ Capital Market in the United States under the symbol “BRNI”.

The Board believes that a NASDAQ Capital Market listing will provide a more liquid market for its Shares and provide greater opportunities to raise funds to support the Company’s initiatives, including funding of the clinical trials for PENAO, Gamma Delta T Cell, DC Vaccine, Protein Modifier R8, and Single Domain Antibody Treatment for Coronaviruses.

The Company has filed a Form F-1/A registration statement (**Registration Statement**) with the United States Securities and Exchange Commission (**SEC**) relating to the proposed initial public offering of the Company’s ordinary shares. As at the date of this Notice, the Registration Statement has not become effective.

In anticipation of the Registration Statement being approved by the SEC and becoming effective and approval of the listing of the Company on the NASDAQ Capital Market, the Company is seeking shareholder approval for the following **conditional** resolutions:

- (a) the issue of up to 10,000,000 Shares on a post consolidation basis to **Maxim Group LLC (Underwriter)** at a minimum issue price of US\$4 per Share for the purpose of the proposed initial public offering on the NASDAQ Capital Market (**NASDAQ Capital Market IPO Raising**) (**Share Issue**) (**Resolution 1**);
- (b) the issue of up to 1,500,000 Shares on a post consolidation basis to the Underwriter pursuant to the Underwriter’s over-allotment option at an issue price equal to the offer price of fully paid ordinary shares sold into the NASDAQ (**Underwriter Option**) (**Resolution 2**);
- (c) the issue of up to 800,000 warrants on a post consolidation basis to the Underwriter exercisable at a price equal to 110% of the offer price of fully paid ordinary shares sold into the NASDAQ offering and expiring 5 years after the effective date of the Registration Statement (**Underwriter Warrants**) (**Resolution 3**);
- (d) the consolidation of the Company’s Securities to reflect the pricing of the NASDAQ Capital Market IPO Raising (**Consolidation**) (**Resolutions 4– 8**); and
- (e) the voluntary delisting from the NSX (**NSX Delisting**) (**Resolution 9**).

There is no assurance that the Company’s proposed listing on the NASDAQ Capital Market will be approved. If NASDAQ does not approve the proposed listing of the Company:

- (a) the NASDAQ Capital Market IPO will not proceed, and no Securities will be issued pursuant to Resolutions 1, 2 and 3;
- (b) the consolidation the subject of Resolutions 4 to 8 will not proceed; and

(c) the NSX Delisting the subject of Resolution 9 will not proceed.

Further details are set out in Sections 1 to 4 of this Explanatory Statement.

## 1.2 Indicative timetable

If Resolutions 1 to 9 are passed and NASDAQ Capital Market Listing approval is granted, the Share Issue, Consolidation (if required) and NSX Delisting will commence as soon as practicable and in accordance with the following indicative timetable:

Action	Business Day
Company announces proposed Resolutions and dispatches notice of meeting to Shareholders	Before 0
Shareholders approve the Resolutions	Before 0
Company announces Registration Statement effective and NASDAQ listing approval given and confirms consolidation, share issue to underwriter and delisting to proceed	0
Effective Date of Consolidation	0
Last day for trading in pre-Consolidation Securities on NSX and OTCQX and last day for repositioning between the Australian principal and US branch share registers	1
Consolidation effected on the US branch share register	2
Record Date for the Consolidation  Last day for the Company to register transfers on the Australian principal share register on a pre-Consolidation basis	3
Consolidation effected on the Australian principal share register	4
Despatch of consolidation confirmation	5
Suspension of Company's Shares on NSX	5
Last day for outstanding settlements to be completed	7
Delisting from NSX  Closure of CHESS subregister	8
Commencement of the process to reposition all shareholders, on a post-Consolidation basis, to the US branch share register.	9
Despatch of the Direct Registration System advices	16

Issue of Shares to Underwriter	As soon as possible after delisting on a date approved by NASDAQ.
Post consolidation trading commences on NASDAQ	

Shareholders holding unrestricted Shares on the US Register are expected to be able to trade their Shares upon the commencement of trading on NASDAQ or otherwise as soon as practicable thereafter.

The indicative timetable assumes a consolidation process. If for any reason, a consolidation is not required, the Company will announce this to the NSX. An updated timetable will be announced to the NSX as and when actual dates for each step in the timetable are known.

These dates are indicative only. Subject to the Corporations Act, the NSX Listing Rules, SEC and NASDAQ requirements, and other applicable laws, the Company reserves the right vary these dates, either generally or in particular cases, without notification.

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## 2. RESOLUTIONS 1 – 3: ISSUE OF SECURITIES IN THE COMPANY - CONDITIONAL RESOLUTIONS

### 2.1 Background

Resolution 1 seeks Shareholder approval for the Company to issue up to 10,000,000 Shares at an issue price of no less than US\$4 for the purpose of the Company's IPO listing on the NASDAQ Capital Market. Funds raised from the issue will provide the Company with working capital to fund its clinical trials and business developments (**NASDAQ Capital Market IPO Raising**).

As at the date of this Notice the valuation of the Company, pricing of the NASDAQ Capital Market IPO and amount to be raised has not been determined. Therefore, the number of shares to be issued cannot yet be determined. The number of Shares proposed to be issued for the purpose of the NASDAQ Capital Market IPO and issue price of those shares will be determined by the Company in conjunction with the Underwriter following finalisation of the valuation. Whilst approval for a maximum number of 10,000,000 Shares is sought, the Company anticipates that the actual number of Shares issued will be less than this. If the issue price is greater than the minimum issue price of US\$4 per Share then less Shares will be issued.

As at the date of this Notice, the Registration Statement is not yet effective and a decision on the NASDAQ Capital Market Listing approval is pending. Whilst the Company awaits decisions in relation to these two matters, to avoid undue delay, the Company seeks shareholder approval for the issue of a maximum number of Shares at a minimum issue for the purpose of the NASDAQ Capital Market IPO.

If the Registration Statement becomes effective and NASDAQ Capital Market listing approval is given, the Company intends to issue the Shares the subject of Resolution 1 to the Underwriter for the purpose of selling the Shares to subscribers under the prospectus. As at the date of this Notice, the proposed underwriting agreement has not been executed. The material terms of the underwriting agreement will be announced to the market upon execution. The Company anticipates that the material terms of the underwriting agreement will include:

- (a) an option granted to the underwriter (**Underwriter Option**) exercisable for 45 days from the date of the Prospectus to purchase additional shares equal to 15% of the total offering amount at the public offer price for the purpose of over allotments (if any) less underwriting discounts and commissions) (Resolution 2); and
- (b) the issue of warrants to representatives of the underwriter (**Underwriter Warrants**) to purchase that number of shares equal to 8% of the total number of shares sold in the public offer. The anticipated exercise price of the Underwriter Warrants is 110% of the offer price of Shares sold in the offer and the anticipated expiry date is 5 years from the effective date of the Registration Statement (Resolution 3).

As at the date of this Notice, the Company is unable to estimate the number of Securities that may be issued as a result of the Underwriter Option and Underwriter Warrants as the terms of the underwriting agreement are not finalised, the total offering amount is not yet determined and the number of Shares sold in the public offer will not be known until following the Company's listing and sale of Shares. Resolutions 2 and 3 and therefore based on maximum numbers of Securities for which Shareholder approval is sought.

Resolutions 1 to 3 are conditional Resolutions. If Shareholder approval for Resolutions 1 to 3 is given, the Company will not issue any Securities unless and until it receives NASDAQ Capital Market Listing approval. Further, ASIC relief (as set out in section 2.3 below) is required before any Shares can be issued to the Underwriter.

## 2.2 Listing Rule 6.25

Subject to specified exceptions, Listing Rule 6.25 provides that a listed company must not, without shareholder approval, issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of Equity Securities in the same class on issue at the commencement of that 12 month period.

In accordance with NSX Listing Rule 6.25, Shareholder approval is sought to allow the Company to issue up to 10,000,000 Shares pursuant to Resolution 1; 1,500,000 Shares upon the exercise of the Underwriter Option and up to 800,000 Shares upon exercise of the Underwriter Warrants.

If Resolutions 1 to 3 are approved by Shareholders, any Securities issued by the Company pursuant to these Resolutions for the purpose of the NASDAQ Capital Market IPO Capital Raising will not be included in the Company's 15% annual capacity for the purposes of NSX Listing Rule 6.25.

## 2.3 ASIC relief and s606(1) of the Corporations Act

Section 606(1) of the Corporations Act prohibits a person from acquiring a relevant interest in voting shares of a Company that is subject to the takeover provisions if that would result in any person's voting power exceeding the 20% threshold unless a specified exception applies.

Section 609(1) of the Corporations Act provides that a person has a relevant interest in securities if among other things they have power to dispose of, or control the exercise of a power to dispose of the securities. Under the Lock-Up Agreement arrangement outlined in Section 4.6(a) of this Explanatory Memorandum, the Underwriter will have control over disposal of the Shares for the term of the agreement and will therefore have a relevant interest in those Shares.

The Shares proposed to be issued to the Underwriter if Resolutions 1 to 3 are approved, together with the Shares the subject of anticipated Lock-Up Agreements, will exceed the 20% threshold referred to in section 606(1) of the Corporations Act.

ASIC relief will be sought prior to the issue of any Shares to the Underwriter and execution of any Lock-Up agreements. The relief will be sought on 2 basis:

- (a) to enable the Underwriter to rely on an exception to the prohibition in section 606(1) of the Corporations Act, namely item 13 in section 611 in relation to the shares proposed to be issued under Resolution 1, which exception would otherwise be available if the disclosure document was a prospectus lodged with ASIC; and
- (b) to facilitate the lock up (or voluntary escrow) arrangements (set out in section 4.6(a) below) so that the relevant interests of the Underwriter arising from the arrangements are disregarded for the purposes of the takeover provisions.

## **2.4 Impact of capital structure and maximum potential dilution**

- (a) Set out below in **Table 1** is the maximum potential dilution to shareholders (on a post consolidation basis and assuming no options are exercised or convertible notes converted) if Resolution 1 is approved and Shares are issued pursuant to that Resolution. This table also excludes the impact of the issue of any Shares which may be purchased by the Underwriter pursuant to the Underwriter Option and any Shares which may be exercised pursuant to the Underwriter Warrants, outlined in Section 2.1 above.

**Table 1: Maximum potential dilution**

Number of Shares on issue as at date of Notice  Pre-consolidation  (existing number of shares)	Number of shares on issue  Post consolidation 2 for 1 basis  Dilution %	% of issued share capital	Number of shares on issue  Post consolidation 2.5 for 1 basis  Dilution %	% of issued share capital	Number of shares on issue  Post consolidation 3 for 1 basis  Dilution %	% of issued share capital	Number of shares on issue  Post consolidation 3.5 for 1 basis  Dilution %	% of issued share capital	Number of shares on issue  Post consolidation 4 for 1 basis  Dilution %	% of issued share capital
76,638,372	38,319,186		30,655,349		25,546,124		21,896,678		19,159,593	
Issuing 5,000,000 shares (post consolidation basis)	43,319,186  13.05	11.54	35,655,349  16.31	14.02	30,546,124  19.57	16.37	26,896,678  22.83	18.59	24,159,593  26.10	20.70
Issuing 6,000,000 shares (post consolidation basis)	44,319,186  15.66	13.54	36,655,349  19.57	16.37	31,546,124  23.49	19.02	27,896,678  27.40	21.51	25,159,593  31.32	23.85
Issuing 7,000,000 shares (post consolidation basis)	45,319,186  18.27	15.45	37,655,349  22.83	18.59	32,546,124  27.40	21.51	28,896,678  31.97	24.22	26,159,593  36.54	26.76
Issuing 8,000,000 shares (post	46,319,186	17.27	38,655,349	20.70	33,546,124	23.85	29,896,678	26.76	27,159,593	29.46

consolidation basis	20.88		26.10		31.32		36.54		41.75	
Issuing 9,000,000 shares (post consolidation basis)	47,319,186 23.49	19.02	39,655,349 29.36	22.70	34,546,124 35.23	26.05	30,896,678 41.10	29.13	28,159,593 46.97	31.96
Issuing 9,500,000 shares (post consolidation basis)	47,819,186 24.79	19.87	40,155,349 30.99	23.66	35,046,124 37.19	27.11	31,396,678 43.39	30.25	28,659,593 49.58	33.15
Issuing 10,000,000 shares (post consolidation basis)	48,319,186 26.10	20.70	40,655,349 32.62	24.60	35,546,124 39.14	28.13	31,896,678 45.67	31.35	29,159,593 52.19	34.29

- (b) Set out below is the maximum potential dilution to shareholders assuming no consolidation is required and no options are exercised or convertible notes converted) if Resolution 1 is approved and Shares are issued pursuant to that Resolution. This table also excludes the impact of the issue of any Shares which may be purchased by the Underwriter pursuant to the Underwriter Option and any Shares which may be exercised pursuant to the Underwriter Warrants, outlined in Section 2.1 above.

Shares on issue as at date of Notice	Number of shares on issue following placement	Dilution %	% of share capital
76,638,372			
Issue of 5,000,000 Shares	81,638,372	6.52	6.12
Issue of 6,000,000 Shares	82,638,372	7.83	7.26
Issue of 7,000,000 Shares	83,638,372	9.13	8.37
Issue of 8,000,000 Shares	84,638,372	10.44	9.45
Issue of 9,000,000 Shares	85,638,372	11.74	10.51
Issue of 9,500,000 Shares	86,138,372	12.40	11.03
Issue of 10,000,000 Shares	86,638,372	13.05	11.54

## 2.4 Additional information in relation to Resolution 1 – Conditional issue of Shares

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

- (a) the maximum number of Shares for which shareholder approval is sought under Resolution 1 is 10,000,000;
- (b) the Shares will be issued to the Underwriter, a professional and/or sophisticated investor who is an unrelated party;
- (c) no Shares pursuant to Resolution 1 will be issued to related parties of the Company or their associates;
- (d) the Shares will be issued at no less than US\$4 .
- (e) the Shares will rank pari passu with ordinary shares already on issue;
- (f) the Company intends to use the funds raised from the NASDAQ Capital Market IPO as follows:



- (i) approximately 25% of total funds raised to commence the Company's planned phase II clinical trials for the PENAO product candidate to be conducted in Australia and China;
- (ii) approximately 25% of total funds raised to advance gamma delta T-cell therapy through phase I and phase II clinical trials in China and Japan;
- (iii) approximately 25% of total funds raised to advance other clinical trials including DC Vaccine, Protein Modifier R8, and Single Domain Antibody Treatment for Coronaviruses;
- (iv) approximately 25% of total funds raised of the net proceeds of the offer, together with the Company's existing cash and cash equivalents, for general corporate purposes, which may include working capital, improvement of corporate facilities, other general and administrative matters including strategic acquisitions (such as payment of the balance of the purchase price of \$9.2 million for Medicine Plus), investments and alliances.

The use of funds outlined above is a statement of current intentions based on present plans and business conditions and are subject to change as our plans and general conditions evolve. The amounts and timing of the Company's actual use of net proceeds from the Offer may vary depending on numerous factors, including the progress of our clinical development of our product candidates and ongoing clinical trials. As such, our management will have broad discretion in the application of the net proceeds from the Offer.

- (g) A voting exclusion statement is included in the Notice of Meeting.

## **2.5 Additional information in relation to Resolution 2 – Conditional issue of Shares pursuant to Underwriter Option**

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

- (a) The Underwriter Option is an over-allotment option enabling the Underwriter to purchase additional Shares equal to 15% of the total offering amount at the public offering price for the NASDAQ IPO.
- (b) The maximum number of Shares for which shareholder approval is sought under Resolution 2 is 1,500,000.
- (c) The Underwriter Option is exercisable for 45 days from the date of the Company's prospectus.
- (d) Shares issued to the Underwriter upon exercise of the Underwriter Option Shares will rank pari passu with ordinary shares already on issue;
- (e) The Underwriter is a professional and/or sophisticated investor who is an unrelated party;
- (f) No Shares pursuant to Resolution 2 will be issued to related parties of the Company or their associates;
- (g) The intended use of any funds raised by the issue of Shares pursuant to Resolution 2 is set out as is set out at paragraph 2.4(f) above.
- (h) A voting exclusion statement is included in the Notice of Meeting.

## **2.6 Additional information in relation to Resolution 3 – Conditional issue of Underwriter Warrants**

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

- (a) the maximum number of Underwriter Warrants for which shareholder approval is sought under Resolution 3 is 800,000;
- (b) the warrants will be issued to the Underwriter, a professional and/or sophisticated investor who is an unrelated party;
- (c) no securities pursuant to Resolution 3 will be issued to related parties of the Company or their associates;
- (d) the warrants may be purchased in cash or via cashless exercise.
- (e) The warrants have an exercise price equal to 110% of the offering price of the fully paid ordinary shares sold in the NASDAQ offering and convert on a 1 for 1 basis.
- (f) The warrants expire 5 years from the effective date of the Registration Statement and are non-exercisable for the first 6 months.
- (g) Shares issued on exercise of the warrants will rank pari passu with ordinary shares already on issue.
- (h) The Company intends to use any funds raised from the exercise price of the warrants as stated in paragraph 2.4(f) above.
- (i) A voting exclusion statement is included in the Notice of Meeting.

## **2.7 Ordinary resolution**

As Resolutions 1 to 3 are ordinary resolutions and must be approved by more than 50% of the total number of votes cast by Shareholders entitled to vote on the resolution.

## **2.6 Board Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 to 3 for the reasons outlined in this Explanatory Statement.

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## **3. CONSOLIDATION – CONDITIONAL RESOLUTIONS 4 - 8**

### **3.1 Background**

NSX Listing Rule 6.26 requires among other things that the Company notify the holders of listed securities in writing of the effect of the reorganisation proposal.

As at 13 June 2022, the last market price the Company's Shares traded on the OTCQX under the code 'BNIGF' was US \$0.9989 and the last market price the Company's Shares traded on the NSX under the code 'BTG' was AUD\$1.25.

The Company seeks Shareholder approval to undertake a consolidation of its Securities for the purpose of facilitating the Company's proposed NASDAQ Capital Market listing. To be listed on the NASDAQ Capital Market, the minimum issue price is US\$4 per share. Depending on the pre-listing market valuation of the Company, a consolidation of the

Company's Securities may be required to achieve the minimum issue price of US\$4. The Company seeks shareholder approval to conduct a consolidation if a consolidation is required. A consolidation may not be required if there is an issue of, or sale of the Company's Securities at an issue price of at least \$4 per Share.

Resolutions 4 to 8 are permissive resolutions and are conditional on NASDAQ Capital Market listing approval. If these conditions are not satisfied Resolutions 4 to 8 if approved by Shareholders will have no effect and the consolidation will not proceed. Further, if these conditions are satisfied and a consolidation is no longer required for the purpose of satisfying NASDAQ's minimum issue price, the consolidation will not proceed.

### **3.2 Section 254H of the Corporations Act**

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting convert all or any of its shares into a larger or smaller number.

### **3.3 Constitution**

Article 10.1(b) of the Constitution relevantly provides that the Company, may by resolution passed at a general meeting subdivide its Shares into Shares of a smaller amount.

### **3.4 Alternate Resolutions**

The final consolidation ratio is not yet known and will be determined by the Company in conjunction with the Underwriter following finalisation of the valuation of the Company and pricing of the NASDAQ Capital Market IPO Capital Raising.

By Resolutions 4 to 8, shareholder approval is sought to consolidate on the basis of 5 alternate ratios. The reason for seeking shareholder approval for five alternate resolutions is to provide the Company with maximum flexibility in circumstances where the pricing of the NASDAQ Capital Market IPO is yet to be determined.

The Directors are seeking Shareholder approval to consolidate the number of Securities on issue on an alternate basis of:

- (a) 2 for 1;
- (b) 2.5 for 1;
- (c) 3 for 1;
- (d) 3.5 for 1; and
- (e) 4 for 1.

The impact on the capital structure of each of these ratios is set out in Section 3.8 below.

The Directors propose to conduct the Consolidation at that consolidation ratio approved by Shareholders which would provide the closest nominal value per Share to the issue price of the shares for the proposed NASDAQ Capital Market IPO.

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders. The purpose of the Consolidation is to reorganise the Company's share capital which, in turn will provide a higher nominal price per Share.

The Consolidation will reduce the number of existing Securities on issue. For example, if a consolidation ratio of 2 for 1 applies, then as a result of the Consolidation, a Shareholder currently holding 100 Shares would hold 50 Shares and an Option Holder currently holding 100 Options exercisable at \$0.20 would hold 50 Options as a result of the Consolidation.

At the current share price of \$1.25, the post consolidation nominal share price would be \$2.50 per Share and the post consolidation exercise price of the options would be \$0.40.

The Company's balance sheet and tax position will remain unaltered as a result of the Consolidation.

### 3.5 Fractional entitlements

Not all Securityholders will hold that number of Securities which can be evenly divided by the consolidation ratio. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

### 3.6 Taxation

It is not considered that any taxation implications will exist for Securityholders arising from the Consolidation. However, Securityholders are advised to seek their own tax advice to the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

### 3.7 Holding Confirmations

After the consolidation becomes effective:

- (a) all holding statements for Securities will cease to have any effect except as evidence of entitlement to a certain number of post Consolidation Shares; and
- (b) the Company will issue a notice to Securityholders advising them of the number of Securities held by each Securityholder (as the case may be) both before and after the Consolidation.
- (b) the post Consolidation Shares will be automatically registered directly in the same name(s) as they were recorded on the Australian principal share register, and be held in uncertificated form (i.e. book entry) through the Direct Registration System (**DRS**), being a similar format to issuer sponsorship in Australia.

Shareholders will be sent, by post, a DRS advice, confirming their shareholding and new Holder Account Number. The DRS advice will confirm that their shares are held on the US branch share register, confirm details on how they can gain access to view them and also provide information on the DRS Sale Facility.

It is the responsibility of each Securityholder to check the number of Securities held prior to disposal or exercise (as the case may be).

### 3.8 Effect on capital structure

The effect that the Consolidation will have on the Company's capital structure at a given ratio is set out in the tables below:

#### (a) Shares

The Company's issued share capital as a result of the Consolidation on a **2 for 1 basis** (Resolution 4) will be as follows (subject to rounding):

	Pre-consolidation	Post-consolidation 2 for 1 basis	Nominal price <sup>1</sup>

Existing Shares on issue	76,638,372	38,319,186	US\$3.92
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<sup>1</sup>Based on the indicative market valuation provided by the Underwriter. If the valuation of the Company is determined at US\$150 million, the value per share would be A\$1.96 on a pre consolidation basis. Post consolidation on a 2 for 1 basis, the nominal price per Share would be \$US3.92. There can be no guarantee that Shares will trade at or above the nominal price.

The Company's issued share capital as a result of the Consolidation on a **2.5 for 1** (Resolution 5) basis will be as follows (subject to rounding):

	Pre-consolidation	Post-consolidation 2:5 for 1 basis	Nominal price <sup>1</sup>
Existing Shares on issue	76,638,372	30,655,349	US\$4.90

<sup>1</sup> Based on the indicative market valuation provided by the Underwriter. If the valuation of the Company is determined at US\$150 million, the value per share would be \$1.96 on a pre consolidation basis. Post consolidation on a 2.5 for 1 basis, the nominal price per Share would be UD\$5. There can be no guarantee that Shares will trade at or above the nominal price.

The Company's issued share capital as a result of the Consolidation on a **3 for 1 basis** (Resolution 6) will be as follows (subject to rounding):

	Pre-consolidation	Post-consolidation 3 for 1 basis	Nominal price <sup>1</sup>
Existing Shares on issue	76,638,372	25,546,124	US\$5.88

<sup>1</sup> Based on the indicative market valuation provided by the Underwriter. If the valuation of the Company is determined at US\$150 million, the value per share would be US\$1.96 on a pre consolidation basis. Post consolidation on a 3 for 1 basis, the nominal price per Share would be \$US5.88. There can be no guarantee that Shares will trade at or above the nominal price.

The Company's issued share capital as a result of the Consolidation on a **3.5 for 1 basis** (Resolution 7) will be as follows (subject to rounding):

	Pre-consolidation	Post-consolidation 3.5 for 1 basis	Nominal price <sup>1</sup>
Existing Shares on issue	76,638,372	21,896,678	US\$5.88

<sup>1</sup> Based on the indicative market valuation provided by the Underwriter. If the valuation of the Company is determined at US\$150 million, the value per share would be US\$1.96 on a pre consolidation basis. Post consolidation on a 3.5 for 1 basis, the nominal price per Share would be \$US6.86. There can be no guarantee that Shares will trade at or above the nominal price.

The Company's issued share capital as a result of the Consolidation on a **4 for 1 basis** (Resolution 8) will be as follows (subject to rounding):

	<b>Pre-consolidation</b>	<b>Post-consolidation 4 for 1 basis</b>	<b>Nominal price<sup>1</sup></b>
Existing Shares on issue	76,638,372	19,159,593	US\$5.88

<sup>1</sup> Based on the indicative market valuation provided by the Underwriter. If the valuation of the Company is determined at US\$150 million, the value per share would be US\$1.96 on a pre consolidation basis. Post consolidation on a 4 for 1 basis, the nominal price per Share would be \$US7.84. There can be no guarantee that Shares will trade at or above the nominal price.

(b) **Employee and Director Options**

The Company's 21,567,500 Employee and Director Options will be consolidated on the same basis as the Shares with the exercise price being amended in inverse proportion to that ratio.

Amendment to the terms of the Company's Employee and Director Options was approved by Shareholders at the Company's annual general meeting on 31 May 2022 (**2022 AGM**).

The 21,567,500 Employee and Director Options (as amended) as a result of the Consolidation will be as follows:

(i) on a **2 for 1 basis** (Resolution 4) (subject to rounding):

<b>Amended Director Options</b>	<b>Pre-consolidation</b>	<b>Post-consolidation 2 for 1 basis</b>	<b>Post consolidation exercise price</b>
Unlisted options exercisable at US\$1.25 expiring 30/06/25	10,067,500	5,033,750	US\$2.50
Unlisted options exercisable at US\$1.50 expiring 30/06/25	3,592,500	1,796,250	US\$3.00
Unlisted options exercisable at US\$1.75 expiring 30/06/25	3,592,500	1,796,250	US\$3.50
Unlisted options exercisable at US\$2.25 expiring 30/06/25	4,315,000	2,157,500	US\$4.50

<b>Total</b>	<b>21,567,500</b>	<b>10,783,750</b>	
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(ii) on a **2.5 for 1 basis** (Resolution 5) (subject to rounding):

<b>Amended Director Options</b>	<b>Pre-consolidation</b>	<b>Post-consolidation 2.5 for 1 basis</b>	<b>Post consolidation exercise price</b>
Unlisted options exercisable at US \$1.25 expiring 30/06/25	10,067,500	4,027,000	US\$3.13
Unlisted options exercisable at US\$1.50 expiring 30/06/25	3,592,500	1,437,000	US\$3.75
Unlisted options exercisable at US \$1.75 expiring 30/06/25	3,592,500	1,437,000	US\$4.38
Unlisted options exercisable at US\$2.25 expiring 30/06/25	4,315,000	1,726,000	US\$5.63
<b>Total</b>	<b>21,567,500</b>	<b>8,627,000</b>	

(iii) on a **3 for 1 basis** (Resolution 6) (subject to rounding):

<b>Director Amended Options</b>	<b>Pre-consolidation</b>	<b>Post-consolidation 3 for 1 basis</b>	<b>Post consolidation exercise price</b>
Unlisted options exercisable at US \$1.25 expiring 30/06/25	10,067,500	3,355,833	US\$3.75
Unlisted options exercisable at US\$1.50 expiring 30/06/25	3,592,500	1,197,500	US\$4.50
Unlisted options exercisable at US \$1.75 expiring 30/06/25	3,592,500	1,197,500	US\$5.25

Unlisted options exercisable at US\$2.25 expiring 30/06/25	4,315,000	1,438,333	US\$6.75
<b>Total</b>	<b>21,567,500</b>	<b>7,189,167</b>	

(i) on a **3.5 for 1 basis** (Resolution 7) (subject to rounding):

Director Amended Options	Pre-consolidation	Post-consolidation 3.5 for 1 basis	Post consolidation exercise price
Unlisted options exercisable at US\$1.25 expiring 30/06/25	10,067,500	2,876,429	US\$4.38
Unlisted options exercisable at US\$1.50 expiring 30/06/25	3,592,500	1,026,429	US\$5.25
Unlisted options exercisable at US\$1.75 expiring 30/06/25	3,592,500	1,026,429	US\$6.13
Unlisted options exercisable at US\$2.25 expiring 30/06/25	4,315,000	1,232,857	US\$7.88
<b>Total</b>	<b>21,567,500</b>	<b>6,162,143</b>	

(i) on a **4 for 1 basis** (Resolution 8) (subject to rounding):

Director Amended Options	Pre-consolidation	Post-consolidation 4 for 1 basis	Post consolidation exercise price
Unlisted options exercisable at US\$1.25 expiring 30/06/25	10,067,500	2,516,875	US\$5.00
Unlisted options exercisable at US\$1.50 expiring 30/06/25	3,592,500	898,125	US\$6.00



Unlisted options exercisable at US \$1.75 expiring 30/06/25	3,592,500	898,125	US\$7.00
Unlisted options exercisable at US\$2.25 expiring 30/06/25	4,315,000	1,078,750	US\$9.00
<b>Total</b>	<b>21,567,500</b>	<b>5,391,875</b>	

(c) **Convertible Notes**

As at the date of this Notice, the Company has the following unlisted Convertible Notes on issue:

- (i) 20,736 unlisted Convertible Notes maturing 26 May 2022 (BTGCN1) (**Convertible Notes #1**) with an aggregate face value of USD2,073,600 convertible into ordinary fully paid Shares at a deemed conversion price of USD1.728 per Share.
- (ii) 5,000 unlisted Convertible Notes maturing 28 January 2023 (BTGCN2) with an aggregate face value of USD500,000 (**Convertible Notes #2**) convertible into ordinary fully paid Shares at a deemed conversion price of USD7 per Share,

(together, the **Convertible Notes**).

It is a term of the Convertible Notes, that if prior to the Maturity Date there is a reorganisation of the issued share capital of the Company, including any consolidation, then the number of Convertible Notes issued to each Convertible Noteholder will be adjusted by the Company as appropriate and consistent with the reorganisation to ensure that the proportion which the Shares to be issued to that Convertible Noteholder on exercise of its conversion rights after the reorganisation has occurred bears to the total Shares on issue, is the same as it would have been had the reorganisation not occurred.

The number of convertible notes on issue as a result of the Consolidation will remain unchanged, however the conversion price of the convertible notes will be adjusted in the same proportion as the issued capital of the Company is adjusted as set out in the tables below.

Accordingly, post consolidation:

- (a) each Convertible Note #1 will become convertible into Shares at a deemed conversion price of either US\$3.456 per share (on a 2 for 1 basis) or US\$4.32 (on a 2.5 for 1 basis) or US\$5.184 (on a 3 for 1 basis) or US\$6.05 (on a 3.5 for 1 basis) or US\$6.91 (on a 4 for 1 basis)
- (b) each Convertible Note #2 will become convertible into Shares at a deemed conversion price of either US\$14 per share (on a 2 for 1 basis) or US\$17.50 (on a 2.5 for 1 basis) or US\$21.00 (on a 3 for 1 basis) or US\$24.50 (on a 3.5 for 1 basis) or US\$28 (on a 4 for 1 basis).

On a 2 for 1 basis (Resolution 4), the Convertible Notes will be consolidated as follows (subject to rounding):

	Pre-consolidation		Post-consolidation	
			2 for 1 basis	
	Conversion price	Number of Shares issued on conversion	Deemed Conversion price	Number of Shares issued on conversion
<b>Convertible Notes #1</b>	US\$1.728	1,200,000	US\$3.456	600,000
<b>Convertible Notes #2</b>	US\$7	71,428.57	US\$14	35,714.29 <sup>1</sup>

On a 2.5 for 1 basis (Resolution 5), the Convertible Notes will be consolidated as follows (subject to rounding):

	Pre-consolidation		Post-consolidation	
			2.5 for 1 basis	
	Conversion price	Number of Shares issued on conversion	Deemed Conversion price	Number of Shares issued on conversion
<b>Convertible Notes #1</b>	US\$1.728	1,200,000	US\$4.32	480,000
<b>Convertible Notes #2</b>	US\$7	71,428.57	US\$17.50	28,571.43 <sup>1</sup>

On a 3 for 1 (Resolution 6) basis, the Convertible Notes will be consolidated as follows (subject to rounding):

	Pre-consolidation		Post-consolidation	
			3 for 1 basis	
	Conversion price	Number of Shares issued on conversion	Deemed Conversion price	Number of Shares issued on conversion
<b>Convertible Notes #1</b>	US\$1.728	1,200,000	US\$5.184	400,000
<b>Convertible Notes #2</b>	US\$7	71,428.57	US\$21	23,809.52 <sup>1</sup>

On a 3.5 for 1 (Resolution 7) basis, the Convertible Notes will be consolidated as follows (subject to rounding):

	Pre-consolidation		Post-consolidation 3.5 for 1 basis	
	Conversion price	Number of Shares issued on conversion	Deemed Conversion price	Number of Shares issued on conversion
<b>Convertible Notes #1</b>	US\$1.728	1,200,000	US\$6.05	342,857
<b>Convertible Notes #2</b>	US\$7	71,428.57	US\$24.50	20,408 <sup>1</sup>

On a 4 for 1 (Resolution 8) basis, the Convertible Notes will be consolidated as follows (subject to rounding):

	Pre-consolidation		Post-consolidation 4 for 1 basis	
	Conversion price	Number of Shares issued on conversion	Deemed Conversion price	Number of Shares issued on conversion
<b>Convertible Notes #1</b>	US\$1.728	1,200,000	US\$6.91	300,000
<b>Convertible Notes #2</b>	US\$7	71,428.57	US\$28	17,857 <sup>1</sup>

Note: <sup>1</sup> As announced to NSX on 31 January 2022, if upon the listing of the Company on NASDAQ or the New York Stock Exchange, the initial public offering price is lower than the Conversion Price of the Convertible Notes #2, the Company must on demand by the Convertible Noteholder issue such number of additional shares to the Convertible Noteholder that would have been issued if the Convertible Notes were issued at the initial public offering price instead of the Conversion Price.

By way of example, on a post consolidation basis, if the NASDAQ Capital Market IPO price is USD\$4, then the Convertible Noteholder holding Convertible Notes #2 will be entitled to be issued an additional 14/4 times the number of shares issued, being 89,288 Shares calculated as follows:

$$14/4 \times 35,715 - 35,715 = 89,288 \text{ Shares}$$

### 3.9 Indicative timetable

Please refer to the Indicative Timetable provided in Section 1.2 of this Explanatory Memorandum.

### **3.10 Ordinary resolution**

As Resolutions 4 to 8 are ordinary resolutions, they must each be approved by more than 50% of the total number of votes cast by Shareholders entitled to vote on the resolutions.

### **3.11 Board Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 4 to 8 for the reasons outlined in this Explanatory Statement.

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## **4. RESOLUTION 9 - CONDITIONAL WITHDRAWAL OF LISTING ON NSX**

### **4.1 General**

Resolution 9 is a special resolution to authorise the Directors to withdraw the Company's listing on the NSX, conditional on the approval of the listing of the Company on the NASDAQ Capital Market.

### **4.2 Overview of the NSX delisting proposal**

As announced by the Company on 22 December 2021, the Company filed a Registration Statement with the SEC and applied to list on the NASDAQ Capital Market.

The Board believes that the Company's growth plans require capital beyond the Company's current capabilities as an NSX listed entity, given the listing on NSX has provided very minimal liquidity for the Company's Shares.

The Board considers that the proposed NASDAQ Listing is in the best interests of the Company's Shareholders as it provides greater access to equity capital.

Key advantages of the NASDAQ Listing include:

- greater ability for the Company to expand its Shareholder base by creating improved marketability and liquidity of the Company's Securities;
- improved access to equity capital markets, prospective investors and fundraising opportunities to support its growth plans; and
- potential to improve the Company's public recognition, commercial standing and investor profile.

### **4.3 Inability to maintain NSX Listing if Shares listed on the NASDAQ Capital Market**

Upon the listing by the Company of its Shares on the NASDAQ Capital Market, due to the regulatory requirements associated with the maintenance of a register for a security registered with the SEC, which shall be imposed on the Company and a registrar in Australia, it will not be possible to maintain a dual listing of the Company's Shares on the NSX.

Section 17A(c) of the Securities Exchange Act of 1934 requires that transfer agents be registered with the SEC. If the Company's Shares are listed on the NASDAQ Capital Market and are registered with the SEC, only an SEC registered transfer agent may maintain all or part of the Company's share register. This includes a share register managed in Australia. As registrars in Australia are not SEC registered, the Company is required to delist from the NSX before any NASDAQ Capital Market listing with all Shareholders being automatically repositioned onto the US branch share register, to be managed by Computershare Trust Company N.A, the Company's US Transfer Agent.

If the Company undertakes the proposed consolidation, all Shares will be repositioned to the US branch share register as part of the consolidation process. If the consolidation is not required, the shares will still be automatically repositioned as part of the delisting process in preparation for the NASDAQ listing.

On the US branch share register there are certificated shareholdings, accordingly it would be expected that these holders (and any others holding book-entry positions) would need to exchange their pre-Consolidation shares for post-Consolidation shares via a Letter of Transmittal process managed in the US.

Shareholders that hold their shares on the US branch share register in certificated or in book-entry positions will need to exchange their pre-Consolidation shares for post-Consolidation shares. This will be done via a letter of transmittal process managed in the United States. Each shareholder will be provided with instructions from the Company's exchange agent. Common items each shareholder will be required to provide include, but are not limited to: a completed IRS Form W-9 or W-8BEN (or IRS Form W-8) as applicable, certificates, if any, representing the securities being exchanged, an original stock power and an accredited investor questionnaire.

On the US branch share register, a Shareholder's Shares will be registered directly in the same name(s) as they were recorded on the Australian principal share register, and be held in uncertificated form (i.e. book entry) through the Direct Registration System (**DRS**), being a similar format to issuer sponsorship in Australia.

Shareholders will be sent, by post, a DRS advice, confirming their shareholding and new Holder Account Number.

For the Shares held in DRS form, if a Shareholder has a US broker and wishes to deposit their Shares into their broker account within DTC (the US central securities depository, equivalent to CHESS in Australia), the Shareholder will be required to provide their nominated US broker with the following information as displayed on their DRS advice:

- Holder Account Number;
- registration details; and
- share balance,
- US Tax ID number if applicable

their US broker, can then draw these Shares electronically into their custody account.

Alternatively, Shareholders who wish to transact in their Shares, may apply to Computershare US to use its DRS trading facility for any unrestricted shares, where valid trading instructions will be conducted on NASDAQ.

Separately to the process above relating to Shares, following any Consolidation and Delisting, the Options and Convertible Notes will be maintained on the Company's in-house register and not by the US Transfer Agent.

Accordingly, Shareholder approval is sought for the voluntary withdrawal of the Company's listing from NSX (**NSX Delisting**) conditional upon the Company receiving approval from NASDAQ to list on the NASDAQ Capital Market.

#### **4.4 NSX Listing Rule Requirements**

NSX Listing Rule 2.25 (Section 2A) requires, among other things, that an entity seeking to withdraw its listing on NSX obtain the approval of three quarters (3/4) of each class of its listed securities at a general meeting (i.e. a special resolution). Accordingly, the NSX

Delisting will not be implemented unless at least 75% of votes cast by Shareholders eligible to vote are in favour of Resolution 9.

Further, NSX Listing Rule 2.25 (Section 2A) requires an entity to give NSX 90 days prior written notice of the proposed withdrawal of listing. NSX has granted the Company a waiver of this notice period so as to permit the Company to delist as soon as practicable upon the Company receiving approval for the NASDAQ Listing.

#### **4.5 Indicative timetable**

The indicative timetable for the conditional Share Issue, Consolidation, NSX Delisting and NASDAQ Listing is included at Section 1.2. Any change to the key dates will be announced to the NSX.

#### **4.6 Other Material information**

##### **(a) Securities Act Rule 144**

Federal securities laws may deem certain securities as restricted or control securities. Under US federal securities laws, all offers and sales of securities must be registered with the SEC or qualify for some exemption from the registration requirements.

All of the shares sold in the NASDAQ Listing will be freely transferable in the United States by persons other than “affiliates,” as that term is defined in Rule 144 under the Securities Act. Accordingly, an “affiliate” of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer. Shares purchased by an affiliate may not be resold, except pursuant to an effective registration statement or an exemption from registration, including Rule 144 under the Securities Act (as described below).

It is anticipated that all of the directors, executive officers and shareholders who beneficially own three percent or more of the Company’s Shares will agree with the Underwriter not to, without the prior consent of the Underwriter’s representatives, for a period of 180 days following the date of effectiveness of the Form S-1, offer, sell, contract to sell, pledge, grant any option to purchase, purchase any option or contract to sell, right or warrant to purchase, make any short sale, file a registration statement (other than a registration statement on Form S-8) with respect to, or otherwise dispose of (including entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequence of ownership interests) any Shares or any securities that are convertible into or exchangeable for, or that represent the right to receive, Shares or any substantially similar securities (other than pursuant to employee share option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding).

##### **Rule 144**

All of the Company’s Shares outstanding prior to the NASDAQ Listing are “restricted shares” as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements. Under Rule 144 as currently in effect, a person who has beneficially owned the Company’s restricted shares for at least six months is generally entitled to sell the restricted securities without registration under the Securities Act beginning 90 days after the date of effectiveness of the registration statement, subject to certain additional restrictions.

The Company’s affiliates are subject to additional restrictions under Rule 144. Affiliates may only sell a number of restricted shares within any three-month period that does not exceed the greater of the following:

- 1% of the then outstanding Ordinary Shares; or
- the average weekly trading volume of the Ordinary Shares on the Nasdaq Global Market, during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC

Affiliates who sell restricted securities under Rule 144 may not solicit orders or arrange for the solicitation of orders, and they are also subject to notice requirements and the availability of current public information about the Company.

Persons who are not affiliates are only subject to one of these additional restrictions, the requirement of the availability of current public information about the Company, and this additional restriction does not apply if they have beneficially owned the Company's restricted shares for more than one year.

## **Rule 701**

In general, under Rule 701 of the Securities Act as currently in effect, each of the Company's employees, consultants or advisors who purchases the Company's Shares in connection with a compensatory stock or option plan or other written agreement relating to compensation is eligible to resell such Ordinary Shares 90 days after the Company becomes a reporting company under the Exchange Act in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144.

### **(b) No other information**

There is no other information considered by the Board as material to the making of a decision by a Shareholder as to whether or not to approve Resolution 9 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders) other than as disclosed in this Explanatory Statement.

## **4.7 Board Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 9 for the reasons outlined in this Explanatory Statement.

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## **5. RESOLUTION 10 - AMENDMENT TO CONSTITUTION**

### **5.1 Background**

Under ASIC Corporations (Virtual-only Meetings) Instrument 2022/129, all listed companies have the option to hold virtual-only meetings until 31 May 2022.

Permanent changes to the Corporations Act to permit hybrid meetings (including virtual-only meetings if allowed under a company's constitution) apply from 1 April 2022. Accordingly, from that date, section 249R of the Corporations Act, as amended, provides that a company may hold a meeting of its members:

- (a) at one or more physical venues; or
- (b) at one or more physical venues and using virtual meeting technology; or
- (c) using virtual meeting technology only if this is required or permitted by the company's constitution expressly.

The Company's constitution does not expressly permit the Company to hold a meeting of its members using virtual meeting technology only.

Resolution 10 seeks shareholder approval to amend the Company's constitution so that the Company may, in the absence of ASIC relief, hold a members meeting using virtual meeting technology.

A copy of the Constitution which sets out the proposed amendments will be tabled at the Meeting and is also available on the Company's website <https://www.beronigroup.com>

## **5.2 Section 136(2) Corporations Act**

Under section 136(2) of the Corporations Act, amendments to the Constitution may only be made by a special resolution of Shareholders. This means that the Resolution 8 must be passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

## **5.3 Proposed amendments**

An overview of the key changes proposed to be made to the Constitution are set out below. Where possible, the Company intends to continue to hold face-to-face physical Shareholder meetings and has no intention to move permanently to wholly "virtual" online meetings.

The Board, however, considers the proposed amendments are in the best interests of Shareholders as they provide the Company flexibility in the future to hold "virtual" only meetings, if the Board takes the view that circumstances exist where this would be beneficial, and in the interests of Shareholders. The proposed amendments also allow greater flexibility to hold "hybrid" meetings in the future which enables Shareholders the opportunity to participate in meetings in a manner that is most convenient to them.

### **(a) Virtual and hybrid meetings**

Amendments are proposed to the Constitution to permit the holding of a wholly virtual meeting via technology and to conduct hybrid Shareholder meetings.

Where a meeting is being held using any technology:

- (a) a Shareholder will be taken to be present at the meeting if they attend via technology;
- (b) it remains the case that the Shareholders as a whole must be given a reasonable opportunity to participate and vote. For virtual meetings held via audio communication or audio and visual communication, a vote must be taken on a poll, not on a show of hands; and
- (c) if any technical difficulties occur during the meeting, the Chair will have the right to adjourn the meeting for a reasonable period until the difficulty is remedied or, where a quorum remains present and able to participate, allow the meeting to continue (subject to the requirements of the Corporations Act).

### **(b) Direct voting**

New rules are proposed to be included in the Constitution to permit the Board to prescribe rules and procedures to allow Shareholders to vote directly on resolutions considered at general meetings by submitting 'direct votes' prior to the meeting (i.e., by post, fax or other electronic means, as determined by the Board).



This will enable votes to be counted even where a Shareholder cannot attend the meeting personally and does not appoint a proxy. Shareholders will continue to be entitled to appoint proxies if they wish.

The notice of meeting must inform Shareholders of their rights to vote by direct vote and of any relevant matters with respect to the rules and procedures made by the Board.

A Shareholder who has validly submitted a direct vote will be taken to be present at the meeting, except for the purposes of satisfying the quorum requirements or as prescribed by the Board.

Subject to any rules or procedures prescribed by the Board, a direct vote:

- (i) will not be counted if the Shareholder is not entitled to vote on the resolution;
- (ii) received by the Company from a Shareholder has the effect of revoking (or, in the case of a standing appointment, suspending) the appointment of a proxy, attorney or representative made by that Shareholder under an instrument received by Shareholder before a direct vote was received;
- (iii) will be taken to be a direct vote on a resolution as amended, if the chairman of the meeting determines this is appropriate; and
- (iv) may be withdrawn by the Shareholder by written notice received by the Company before the time appointed for the commencement of the meeting (or in the case of any adjournment, the resumption of the meeting) is automatically withdrawn if:
  - (A) the Shareholder who cast the direct vote is present in person at the meeting at the time the resolution is considered;
  - (B) the Company receives, after the Shareholder's direct vote is received, a valid instrument appointing a proxy, attorney or representative to vote on behalf of that Shareholder on that resolution within the required timeframe, in which case the Company may regard the instrument later received as effective in respect of that resolution at the meeting; or
  - (C) the Company receives a further valid direct vote from the same Shareholder on that resolution within the required timeframe, in which case the Company may regard the direct vote received later as effective in respect of that resolution at the meeting.

**(c) Consequential amendments**

Some further minor additional changes are proposed to be made to the Constitution to reflect current law.

**5.4 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 10. The proposed amendments to the Constitution will provide greater flexibility and clarity around the Company holding general meetings (including annual general meetings) using technology, including using virtual meeting technology only.

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**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.

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## GLOSSARY

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**\$** means Australian dollars.

**US\$** means United States dollars.

**AEST** means Australian Eastern Standard Time.

**ASIC** means the Australian Securities and Investments Commission.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that NSX declares is not a business day

**Chair** means the Chair of the Meeting.

**Company** means Beroni Group Limited (ACN 613 077 526).

**Constitution** means the Company's constitution.

**Convertible Notes** has the meaning given by section 3.8(d) of this Explanatory Statement.

**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.

**Employee and Director Options** means the options described in section 3.8 of the Explanatory Statement.

**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.

**Notice** or **Notice of Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

**Meeting** means the general meeting convened by the Notice.

**NASDAQ** means the NASDAQ Capital Market in the United States.

**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.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

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

**Proxy Form** means the proxy form accompanying the Notice.

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

**Section** means a section of the Explanatory Statement.

**Security** includes a Share, Option and Convertible Note issued by the Company.

**Securityholder** means a holder of a Security.

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

**Shareholder** means a registered holder of a Share.

**Underwriter** means Maxim Group LLC.

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

**GENERAL MEETING**

I/We

of

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

Appoint

Name of proxy

OR

☐

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the 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 General Meeting to be held at Level 16, 175 Pitt Street, Sydney NSW 2000 Australia at 12:00pm (AEST), on 26 July 2022 and at any adjournment thereof.

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**Voting on Business of the General Meeting**

		FOR	AGAINST	ABSTAIN
Resolution 1:	Conditional issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2:	Conditional issue of Shares pursuant to Underwriter Option	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2:	Conditional issue of Underwriter Warrants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4:	Conditional consolidation of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5:	Conditional consolidation of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6:	Conditional consolidation of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7:	Conditional consolidation of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8:	Conditional consolidation of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9:	Conditional withdrawal of listing on NSX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10:	Amendment to constitution	<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**

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**Sole          Director/Company  
Secretary**

**Member 2**

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**Director**

**Member 3**

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**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 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 General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the 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 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) email to the Company Secretary via [Nicholas.ong@minervacorporate.com.au](mailto:Nicholas.ong@minervacorporate.com.au),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.**