

NOTICE OF EXTRAORDINARY GENERAL MEETING - 17 June 2013
BERKLEE LIMITED
ACN 004 661 205

The Extraordinary General Meeting of Berklee Limited ACN 004 661 205 (the "Company") will be held at the Ballarat Lodge, 613 Main Road, Ballarat, Victoria 3350, on 17 June 2013 at 11:30am AEST.

The Explanatory Statement that accompanies this Notice of Extraordinary General Meeting describes the matters to be considered at the Extraordinary General Meeting.

BUSINESS OF THE MEETING

RESOLUTIONS: APPROVAL OF SALE OF ASSETS BY COMPANY

a) Resolution 1

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

That for the purposes of Chapter 2E of the Corporations Act and Listing Rules 10.1 and 11.2, and for all other purposes, approval is given by the Shareholders for the Company to enter into and complete the Sale of Assets Agreement, and thereby dispose of its main business undertaking, for the purposes and on the terms set out in the Explanatory Statement.

b) Resolution 2

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

That for the purposes of Listing Rule 11.2 and for all other purposes, approval is given by the Shareholders for the Company to sell the Premises by way of public auction, or failing sale by public auction, sale by private treaty, for the purposes and on the terms set out in the Explanatory Statement.

Explanatory Statement

The Explanatory Statement accompanying this Notice of Meeting is incorporated in and comprises part of this Notice. Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in the Notice of Meeting and the Explanatory Statement.

Voting Exclusion Statement

For the purposes of section 224(1) of the Corporations Act, the Company will disregard any votes cast on Resolution 1, by any person who is deemed to be a Related Party to the Company or by any associate of that person, being a person who might obtain a financial benefit by the passing of that Resolution.

The Company need 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 directions on the proxy form; and
- b) it is not cast on behalf of a related party or associate of a kind referred to in section 224(1).

The persons and/or entities listed in column 1 of the table below are persons and/entities that may not cast any votes on the Resolutions specified in column 2.

Persons	Resolutions
Riniki Pty Ltd (as trustee for the Rick Van Berkel Superfund)	1
Riniki Pty Ltd (as trustee as the RJ and NC Van Berkel Trust)	1
Wilhelmina Maria van Berkel	1
Rick John van Berkel	1
Ausned Pty Ltd	1

For the purposes of Listing Rule 10.1, the Company will further disregard any votes cast on Resolution 1 by any party to the transaction.

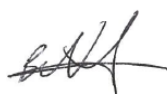
For the purposes of Listing Rules 11.2, the Company will disregard any votes cast on any of the Resolutions by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolutions are passed.

However, for the purposes of Listing Rules 10.1 and 11.2, the Company need 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 directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

By Order of the Board

Dated: 20 May 2013



Brett Jones
Company Secretary

Voting Entitlements

For the purpose of voting at the meeting, a Shareholder's voting entitlement at the Extraordinary General Meeting will be taken to be the entitlement of the person shown on the register of Shareholders at 7.00pm AEST on 16 June 2013.

Proxies

A Shareholder entitled to attend and vote at the Extraordinary General Meeting may elect to appoint a proxy and, if entitled to cast two or more votes, is entitled to appoint two proxies.

A proxy need not be a Shareholder of the Company and may be an individual or a body corporate. If a body corporate is appointed as proxy, the body corporate must ensure that it appoints a body corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Extraordinary General Meeting.

Where a Shareholder elects to submit a proxy vote and two proxies are appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. In the absence of any apportionment of voting rights, each proxy shall be taken to be able to exercise half of the Shareholder's voting rights.

For an appointment of a proxy to be effective, Shareholder Proxy Forms and, if applicable, the powers of attorney (or a certified copy of the powers of attorney) under which they are signed must be lodged at the Company's registered office or the Company's share registry.

Corporate Representation

If your holding is registered in a company name and you would like to attend the meeting (and do not intend to return a proxy form) please bring with you to the meeting a duly completed Appointment of Corporate Representative Form to enable you to attend and vote at the Extraordinary General Meeting.

Voting by Proxy

To be effective, proxy forms must be received at the address given below no later than 48 hours before the commencement of the meeting, being no later than 11.30 am on Saturday, 15 June 2013.

To vote by proxy, please complete the enclosed Proxy Form attached to this Notice of Extraordinary General Meeting and lodge it with the Company's share register either by:

In person: Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, Australia

By mail: Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia

By Fax: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia) no later than 11.30 am AEST, 15 June 2013.

Chairman's Letter

The Independent Directors have prepared the attached Explanatory Memorandum to assist Shareholders understand the terms of the sale of the Berklee business to Tilbal Pty. Ltd (Tilbal). The Board is also seeking approval to proceed to sell the Wendouree property.

Over recent periods, Berklee has experienced a significant downturn in operating revenues and has reported significant operating losses. Notwithstanding these losses the cash position has remained positive due to the Company undertaking a major campaign to reduce working capital. This has resulted in the disposal of old and obsolete inventory at significant discount which in turn has impacted negatively on the Company's results. The ability to continue to fund losses by reducing working capital has now ceased.

The unaudited three months operating results to 31 March 2013 continues to indicate the deterioration in the core business and resulting cash position. While Management has also had a major focus on reducing costs, there is a limit to how much can be cut while remaining a publicly listed entity with an Australian manufacturing base.

The Independent Directors believe that the Company cannot continue to operate in its current form and survive, even in the short to medium term. As a result we have canvassed a number of options for the future of the Berklee business but consider given the current high Australian dollar, the lack of demand for replacement exhaust systems and the high cost of Australian manufacture that the future for Australian manufacturing in the auto industry is limited.

The Company currently is experiencing negative cash flow of approximately \$100,000 per month. Consequently, the Independent Directors believe that the sale of the Berklee business to Tilbal provides the best option to urgently and significantly reduce the cash drain on the Company while allowing the Board to proceed with the realization of other assets and the sale of the property and ultimately to return the net proceeds to Shareholders.

The Independent Expert concludes that the sale of the Berklee business to Tilbal is fair and reasonable to all non-related shareholders.

Further detail is contained in the Independent Expert's Report in the Explanatory Memorandum.

Independent Directors Unanimously Recommend the Proposal

Because of the potential for conflict of interest to arise, the Board of Berklee delegated responsibility to the Independent Directors Committee, consisting of the Chairman and Mr Anderson, to consider, develop and negotiate the Proposal following the receipt of the offer from Tilbal. Each member of the Independent Directors Committee is independent of the Berklee Group. After careful consideration of the Proposal, each Independent Director has concluded that the Proposal offers the most compelling and certain proposition currently available to Shareholders, is in the best interests of Shareholders and therefore:

- **recommends that Shareholders vote in favour of the Resolutions, in the absence of a Superior Proposal; and**
- **intends to vote his shares (where applicable) in favour of the proposal, in the absence of a Superior Proposal.**

In reaching this conclusion, the Independent Directors Committee examined a range of strategic options which could reasonably be considered to maximise value for Berklee Shareholders. These were :

- confidentially approaching several potential acquirers to assess their interest in making an alternative proposal;
- considering a wind up of Berklee;
- continuing to trade on in the current state.

Each Independent Director has also taken into account that:

- time is of the essence. For each month that the sale is delayed the Company continues to experience negative cash flow of approximately \$100,000 which would potentially result in the cash reserves being extinguished within the next twelve months.
- to date no superior compelling proposal has emerged since announcement of the original approach; and
- the Independent Expert has concluded that the Proposal is fair and reasonable to non-related shareholders in the absence of a Superior Proposal.

If you have any question in relation to the Proposal please call the Chairman on (03) 5338 1110.

Your vote is important and I recommend you vote in favour of the Proposal at the Meeting on 17 June 2013.

Yours sincerely

Alan Beckett

Independent Chairman

Berklee Limited.

000001 000 BER
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

 **For your vote to be effective it must be received by 11.30 am (AEST) Saturday, 15 June 2013**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged 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, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- ☒ Review your securityholding
- ☒ Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Berklee Limited hereby appoint



the Chairman
of the meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Berklee Limited to be held at Ballarat Lodge, 613 Main Road, Ballarat, Victoria on Monday 17 June 2013 at 11.30 am (AEST) and at any adjournment of that meeting.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 1.	That for the purposes of Chapter 2E of the Corporations Act and Listing Rule 11.2, and for all other purposes, approval is given by the Shareholders for the Company to enter into and complete the Sale of Assets Agreement, and thereby dispose of its main business undertaking, for the purposes and on the terms set out in the Explanatory Statement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2.	That for the purposes of Listing Rule 11.2 and for all other purposes, approval is given by the Shareholders for the Company to sell the Premises by way of public auction, or failing sale by public auction, sale by private treaty, for the purposes and on the terms set out in the Explanatory Statement.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

BER

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Computershare +