



ACN 602 638 531

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

Date of Meeting

Tuesday, 1 November 2016

Time of Meeting

10.00 a.m. (WST)

Place of Meeting

79 Broadway

Nedlands Western Australia 6009

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of BauMart Holdings Limited (**Company** or **BauMart**) is to be held at:

Venue: 79 Broadway
Nedlands Western Australia 6009

Date: Tuesday, 1 November 2016

Time: 10.00 a.m. (WST)

This Notice should be read in conjunction with the accompanying Explanatory Statement.

Agenda

Financial Report – Year Ended 30 June 2016 (no resolution required)

To receive and consider the financial report and the report of the Directors and the Auditor for the year ended 30 June 2016.

Resolution 1 – Adoption of Remuneration Report

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

“That the Remuneration Report of the Company (as contained in the Directors’ Report) for the year ended 30 June 2016 be adopted.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: The Company will disregard any votes cast on Resolution 1 by or on behalf of the Company’s key management personnel (including the Directors), details of whose remuneration are included in the Remuneration Report (**KMP**) or their closely related parties, whether as a securityholder or as a proxy. However, a vote may be cast on Resolution 1 by a person (the **voter**) described above, if:

- the vote is cast as a proxy;
- the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on the Resolution; or
- the voter is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the Resolution; and
 - expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

Resolution 2 – Re-election of Director – Mr Berthus Budiman

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

“That Mr Berthus Budiman, who retires by rotation in accordance with clause 13.2 of the Company’s Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

Resolution 3 – Election of Director – Mr Matthew Logan

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

“That Mr Matthew Logan, having been appointed as a director of the Company on 8 August 2016, who retires in accordance with clause 13.4 of the Company’s Constitution and being eligible and offering himself for re-election, be elected as a director of the Company.”

Explanatory Statement

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

Proxies

Please note that:

- A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member.
- A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (eg “the Company Secretary”).
- Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member’s voting rights. If no such proportion is specified, each proxy may exercise half of the member’s votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Voting Entitlements

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company’s share register 48 hours before the meeting will be entitled to attend and vote at the Annual General Meeting.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company in advance of the meeting or handed in at the meeting when registering as a corporate representative.

Attorneys

If an attorney is to attend the meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 48 hours before the Annual General Meeting.

DATED THIS 30TH OF SEPTEMBER 2016

BY ORDER OF THE BOARD



Natalie Teo
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of BauMart Holdings Limited (**Company** or **BauMart**).

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the resolutions.

Financial Statements and Report

Under the Corporations Act, the Directors of the Company must table the Financial Report, the Directors' Report and the Auditor's Report for BauMart for the year ended 30 June 2016 (**2016 Annual Report**) at the Meeting.

These reports are set out in the 2016 Annual Report. Shareholders who elected to receive a printed copy of annual reports would have received the 2016 Annual Report with this Notice of Annual General Meeting. Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the 2016 Annual Report.

In accordance with section 314 (1AA)(c) of the Corporations Act, the Company advises that the 2016 Annual Report is available from the Company's website: (<http://baumart.com.au/annual-reports/>).

Resolution 1 – Adoption of Remuneration Report

General

The Directors' Report for the year ended 30 June 2016 contains a Remuneration Report which sets out the policy for the remuneration of Directors and executives of the Company. In accordance with Section 250R(2) of the Corporations Act, the Remuneration Report is required to be submitted for adoption by a resolution of Shareholders at the Annual General Meeting.

Voting consequences

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. However, under the Corporations Act, if at least 25% of the votes cast on the resolution at the annual general meeting are against adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the annual general meeting, the Company's remuneration report for the financial year ending 30 June 2017 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at the Company's 2017 annual general meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for the relevant financial year are also against its adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting ("Spill Meeting") be called to consider the election of Directors of the Company ("Spill Resolution"). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any Managing Director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

At the Company's 2015 Annual General Meeting, the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for the 2016 Annual General Meeting.

Proxy voting restrictions

A vote must not be cast (in any capacity) on Resolution 1 by or on behalf of the Company's key management personnel (including the Directors), details of whose remuneration are included in the Remuneration Report (**KMP**) or their closely related parties, whether as a Shareholder or as a proxy. However, a vote may be cast on Resolution 1 by a KMP, or a closely related party of a KMP, if:

- the vote is cast as a proxy;
- appointed in writing that specifies how the proxy is to vote on Resolution 1 and
- appointed by a person who is not also a KMP or a closely related party of a KMP; or
- the KMP is the chair of the meeting casting the vote as a proxy and their appointment expressly authorises the chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

Voting intention

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 1.

Resolution 2 – Re-election of Director – Mr Berthus Budiman

Clause 13.2 of the Constitution requires that at every annual general meeting, one third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Budiman retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Budiman has more than 25 years' experience in the manufacturing, wholesale and distribution industry across an extensive range of products such as building and raw materials, industrial products, pharmaceutical products and consumer goods in South East Asia.

Prior to joining BauMart, he held senior management positions with global corporations such as Young Corporation (Young Indonesia Pratama, PT), Mahakam Group of Companies and SC Johnson & Son (Indonesia). During his time with the Young Corporation as Vice President, he oversaw the establishment of various distribution companies and manufacturing facilities in Asia Pacific, Europe, the Middle East and North and South America.

Mr Budiman studied at the Christian University of Indonesia's Faculty of Mechanical Engineering from 1967 to 1970.

Board recommendation

The Board (other than Mr Budiman) recommends Shareholders vote in favour of the Resolution.

Voting intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

Resolution 3 – Election of Director – Mr Matthew Logan

Clause 13.4 of the Constitution states that Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Board of Directors.

Mr Logan was appointed to the Board on 8 August 2016 and in accordance with the Company's Constitution, seeks election as a director.

He is responsible for the Eco Pallets Pty Ltd (**Eco Pallets**) business and has worked closely with BauMart since the acquisition of Eco Pallets on 31 May 2016.

Mr Logan has been an associate of a private practice since 2006 and currently provides corporate and accounting services to various ASX clients in the mining, energy, industrial and technology industries.

Mr Logan graduated with a Bachelor of Commerce majoring in Accounting and Business Law from Curtin University in Western Australia and is an experienced commercial manager in the industrial supplies and materials handling industry.

EXPLANATORY STATEMENT

Board recommendation

The Board (other than Mr Logan) recommends Shareholders vote in favour of the Resolution.

Voting intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

Glossary

\$ means an Australian dollar.

Annual General Meeting means the annual general meeting the subject of this Notice.

Annual Report has the same meaning as Financial Report.

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report in the Financial Report.

Board means the board of directors of the Company.

Company or **BauMart** means BauMart Holdings Limited (ACN 602 638 531).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a Director of the Company and **Directors** means the directors of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act.

Explanatory Statement means this explanatory statement accompanying the Notice of Annual General Meeting.

Financial Report means the annual financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act.

Listing Rules mean the official listing rules of ASX.

Notice means the notice of annual general meeting accompanying this Explanatory Statement.

Proxy Form means a proxy form attached to the Notice.

Remuneration Report means the remuneration report as contained in the Directors' report section of the Company's annual financial report for the year ended 30 June 2016.

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

Shareholder means a member of the Company.

WST means Western Standard Time, as observed in Perth, Western Australia.



ACN 602 638 531

PROXY FORM

MR SAM SAMPLE
UNIT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE WA 6060

1. Appointment of Proxy

I/We being a member/s of BauMart Holdings Limited and entitled to attend and vote hereby appoint

[Empty box for name]

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

OR

[Empty box for name]

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

or if no person 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...

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

Chairman authorised to exercise proxies on remuneration-related matters: If I/we appoint the Chairman of the Meeting as my/our proxy...

Note: You can direct the Chairman how to vote by marking the boxes below (for example if you wish to vote against or abstain from voting).

2. Items of Business

Voting directions to your proxy - please mark [X] to indicate your directions

Table with 3 columns: FOR, AGAINST, ABSTAIN and 3 rows of items with checkboxes.

PLEASE NOTE: If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll...

3. Signature of Securityholder(s)

Please sign here

THIS SECTION MUST BE SIGNED IN ACCORDANCE WITH THE INSTRUCTIONS OVERLEAF TO ENABLE YOUR DIRECTIONS TO BE IMPLEMENTED.

Individual or Securityholder 1

[Signature box 1]

Individual/ Sole Director and Sole Company Secretary

Securityholder 2

[Signature box 2]

Director

Securityholder 3

[Signature box 3]

Director/ Company Secretary

Contact Name

Contact Daytime Telephone



ACN 602 638 531

HOW TO COMPLETE THE PROXY FORM

1. Appointment of Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the Company.

If you have appointed a company as your proxy and a representative of that company wishes to attend the meeting, the representative will be required to provide the Company with the appropriate written documentation evidencing that the person is a representative of the proxy. Should you require it, the Company will provide you with a corporate representative form free of charge. Please contact the Company Secretary if you require a corporate representative form.

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 market 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 for 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 numbers 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 Section 1.

2. Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with your directions. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

3. Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

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

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the Company. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the Company's registered office or at the address given below no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by post or facsimile to BauMart Holdings Limited:-

PO Box 3438
Nedlands WA 6909

Fax: (61-8) 6389 2588