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**BIDENERGY LIMITED**  
**ACN 131 445 335**

**NOTICE OF ANNUAL GENERAL MEETING**

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**The annual general meeting of the Company will be held at the offices of RSM Australia Partners located at 525 Collins Street, Melbourne, Victoria 3000, on Wednesday, 30 November 2016 at 2:00pm AEDT.**

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

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9389 3110 or email at [info@bidenergy.com](mailto:info@bidenergy.com)*

**Shareholders are encouraged to attend the meeting in person or vote by lodging the proxy form attached to this Notice.**

**BIDENERGY LIMITED**  
**ACN 131 445 335**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of shareholders of BidEnergy Limited (**Company**) will be held at the offices of RSM Australia Partners located at 525 Collins Street, Melbourne, Victoria 3000, on Wednesday, 30 November 2016 at 2:00pm AEDT (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 5:00pm on Monday, 28 November 2016 (AEDT). Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

**AGENDA**

**1. ANNUAL REPORT**

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report.

**2. RESOLUTION 1 - REMUNERATION REPORT**

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

**3. RESOLUTION 2 - RE-ELECTION OF MR ROBERT BROWNING AS DIRECTOR**

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

*"That, pursuant to and in accordance with article 12.13 of the Constitution and for all other purposes, Mr Robert Browning, a Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

**4. RESOLUTION 3 – RE-ELECTION OF MS LEANNE GRAHAM AS DIRECTOR**

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

*"That, pursuant to and in accordance with Listing Rule 14.4, with article 12.17 of the Constitution and for all other purposes, Ms Leanne Graham, Director, a Director who was appointed as an additional Director on 28 July 2016, retires and being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum."*

**5. RESOLUTION 4 - APPROVAL OF 10% PLACEMENT FACILITY**

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will 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
- (a) it is cast by the Chairman 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.

**6. RESOLUTION 5 - ISSUE OF OPTIONS TO MS LEANNE GRAHAM**

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

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 500,000 Options to Ms Leanne Graham (or her nominee) on the terms and conditions in the Explanatory Memorandum."*

## Voting Exclusion

The Company will disregard any votes cast on this Resolution by Ms Leanne Graham and any of her associates.

The Company will 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 Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

## 7. RESOLUTION 6 - APPOINTMENT OF AUDITOR

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

*"That pursuant to and in accordance with section 327D of the Corporations Act and for all other purposes, RSM Australia Partners being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company with effect from the later of: the passing of this Resolution; and the grant of consent by ASIC to the resignation of the current auditor of the Company."*

Dated: 31 October 2016

By order of the Board



**Ms Erlyn Dale**

Company Secretary

**EXPLANATORY MEMORANDUM**

**1. INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of RSM Australia Partners located at 525 Collins Street, Melbourne, Victoria 3000, on Wednesday, 30 November 2016 at 2:00pm AEDT.

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

A Proxy Form is located at the end of this Explanatory Memorandum.

**2. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders should read the Notice, including this Explanatory Memorandum, carefully before deciding how to vote on the Resolutions.

**2.1 Proxies**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 5:00pm (AEDT) on Monday, 28 November 2016.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

**2.2 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)**

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely

Related Party of such member, regardless of the capacity in which the vote is cast; or

- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

### **2.3 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)**

A vote on Resolution 1 must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

## **3. ANNUAL REPORT**

In accordance with section 317(1) of the Corporations Act, the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

The Directors note, however, that the Annual Report reflects the financial position and performance of the Company *prior* to the completion of the reverse takeover transaction between the Company (formerly Cove Resources Limited) and BidEnergy (Operations) Pty Ltd (formerly BidEnergy Pty Ltd) which was completed on 1 July 2016. As such, the Annual Report does not include financial information relating to the operations of BidEnergy (Operations) Pty Ltd or its subsidiaries for that period.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so however, a copy of the Annual Report is available on the Company's website at <http://www.bidenergy.com>.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report;

- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

#### **4. RESOLUTION 1 – REMUNERATION REPORT**

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

The Directors of the Company note, however, that the Remuneration Report to be considered at this Meeting reflects the remuneration policies and arrangements in place prior to the completion of the reverse takeover transaction between the Company (formerly Cove Resources Limited) and BidEnergy (Operations) Pty Ltd (formerly BidEnergy Pty Ltd). Following the completion of the reverse takeover transaction on 1 July 2016 a new board was instated, and all of the directors the subject of the Remuneration Report have either resigned or no longer hold key management positions in the Company.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2015 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2017 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **5. RESOLUTION 2 – RE-ELECTION OF MR ROBERT BROWNING AS DIRECTOR**

Article 12.11 of the Constitution requires one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded down to the nearest whole number) to retire at each annual general meeting.

Article 12.13 of the Constitution states that a Director who retires under article 12.11 is eligible for re-election.

Resolution 2 provides that Mr Robert Browning retires by rotation and seeks re-election as a Director.

Mr Browning holds the position of Non-Executive Chairman of the Company and is a seasoned leader with a proven track record, and over 30 years of experience in a broad range of executive roles within multiple industries, both domestically and internationally. He is adept at the effective development and translation of corporate strategy into actionable plans with appropriate responsibilities and accountabilities cascaded through all layers of the organisation.

Mr Browning is also currently the Chief Executive Officer of Alinta Limited and Non-Executive director of Emerchants.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Mr Robert Browning) supports the re-election of Mr Robert Browning and recommends that Shareholders vote in favour of Resolution 2.

## **6. RESOLUTION 3 – RE-ELECTION OF MS LEANNE GRAHAM AS DIRECTOR**

In accordance with Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 12.16 of the Constitution allows the Directors to appoint a person to fill a casual vacancy or as an addition to the existing number of Directors at any time, provided that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office until the next general meeting of Shareholders and is eligible for re-election at that meeting.



Ms Leanne Graham was appointed as an additional Director on 28 July 2016. Resolution 3 provides that she retires from office and seeks re-election as a Director.

Ms Graham brings more than 28 years of experience at the top of the software sector, with specialist expertise in growing Software as a Service Businesses embracing the global opportunities created with the arrival of the Cloud. Her career highlights include propelling Xero to set the global accounting software benchmark through the planning and execution of a global sales strategy and co-founding cloud business software group, Enprise, which was adopted as SAP Business One's leading add-on partner globally. Ms Graham also has an extensive personal network covering enterprise eco-systems and channels.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

The Board (excluding Ms Leanne Graham) supports the re-election of Ms Leanne Graham and recommends that Shareholders vote in favour of Resolution 3.

## **7. RESOLUTION 4 - APPROVAL OF 10% PLACEMENT FACILITY**

### **7.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity with a market capitalisation of approximately \$25 million.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c)).

The Directors believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairman intends to exercise all available proxies in favour of Resolution 4.

### **7.2 Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) **Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two quoted classes of Equity Securities, being Shares (ASX: BID) and Listed Options (ASX: BIDO).

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

**(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

*Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 321,156,351 Shares and therefore has a capacity to issue:

- (i) 48,173,453 Equity Securities under Listing Rule 7.1; and

- (ii) subject to Shareholder approval being sought under Resolution 4, 32,115,635 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c)).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **10% Placement Period**).

### **7.3 Listing Rule 7.1A**

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

### **7.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
  
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,which may have an effect on the amount of funds raised by the issue of the Equity Securities.
  
- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
  
- (d) The table also shows:
  - (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
  - (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.04 50% decrease in Issue Price	\$0.08 Issue Price	\$0.16 100% increase in Issue Price
Current Variable A 321,156,351 Shares	10% Voting Dilution	32,115,635 Shares	32,115,635 Shares	32,115,635 Shares
	Funds raised	\$1,284,625	\$2,569,251	\$5,138,502
50% increase in current Variable A 481,734,527 Shares	10% Voting Dilution	48,173,453 Shares	48,173,453 Shares	48,173,453 Shares
	Funds raised	\$1,926,938	\$3,853,876	\$7,707,752
100% increase in current Variable A 642,312,702 Shares	10% Voting Dilution	64,231,270 Shares	64,231,270 Shares	64,231,270 Shares
	Funds raised	\$2,569,251	\$5,138,502	\$10,277,003

**The table has been prepared on the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Listed Options (including any Listed Options issued under the 10% Placement Facility) are exercised before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.080, being the closing price of the Shares on ASX on 18 October 2016.
- (e) The Company will only issue Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue Equity Securities for the following purposes:
  - (i) non-cash consideration for the acquisition complementary assets, businesses or investments or as consideration for services provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards the ongoing research and development of the Company's proprietary software technology, general working capital to facilitate the operations of the Company's existing business, as well as the expansion of the Company's operations both domestically and internationally through the acquisition of assets, businesses or investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon the issue of any Equity Securities.

- (g) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of subscribers of Equity Securities will be determined on a case-by-case basis having regard to factors including (but not limited to) the following:
  - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (h) The subscribers under the 10% Placement Facility have not been determined as at the date of the Meeting but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

- (i) Further, if the Company acquires services, assets, businesses or investments, it is likely that the subscribers under the 10% Placement Facility will be the vendors of the services, assets, businesses or investments.
- (j) In the 12 months preceding the date of the Meeting, the Company issued a total of 421,014,772 Equity Securities. On 24 May 2016, the Company consolidated its securities on a 20:1 basis. As a result, the total number of Equity Securities issued in the 12 months preceding the date of the Meeting represent 538% of the total number of Equity Securities on issue at 30 November 2015 (being 78,189,657 on a post-consolidation basis). The Equity Securities issued in the preceding 12 months is set out in Schedule 2. Where applicable, all details provided in this Explanatory Memorandum are given on a post-consolidation basis.
- (k) A voting exclusion statement is included in the Notice for Resolution 4.
- (l) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## **7.5 Director Recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

## **8. RESOLUTION 5 - ISSUE OF OPTIONS TO MS LEANNE GRAHAM**

### **8.1 General**

In accordance with Listing Rule 10.11, Shareholder approval is required for the issue of Options to a related party. Ms Leanne Graham is a related party of the Company.

Subject to Shareholder approval of Resolution 5, the Company seeks to issue 500,000 Options to Ms Leanne Graham (or her nominee).

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required, in accordance with exception 14 of Listing Rule 7.2.

Resolution 5 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 5, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### **8.2 Section 208 of Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Ms Leanne Graham, who is a Director, is a related party of the Company.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Options under this Resolution on the basis that it is considered by the Board to be reasonable remuneration and accordingly, the exception set out in section 211 of the Corporations Act applies.

### 8.3 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 5 will be to allow the Company to issue 500,000 Options to Ms Leanne Graham (or her nominee) without using up the Company's 15% placement capacity under Listing Rule 7.1.

### 8.4 Specific information required by Listing Rule 10.13

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The Options will be issued to Ms Leanne Graham (or her nominee).
- (b) The maximum number of Options to be issued to Ms Leanne Graham (or her nominee) is 500,000.
- (c) The Company will issue the Options no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Options will be issued on the terms set out in Schedule 3.
- (e) No funds will be raised by the issue of the Options as they are being issued for nil cash consideration.
- (f) The primary purpose for the grant of the Options is to provide a performance linked incentive component to the remuneration package offered to Ms Leanne Graham to motivate and reward her performance in her role as a Director. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.
- (g) Ms Leanne Graham may receive the following remuneration and emoluments from the Company (including share based payments) in the financial year ending 30 June 2017:

Salary and fees (\$)	Superannuation (\$)	Share based payments <sup>1</sup>	Other	Total remuneration (\$)
\$50,000	Nil	\$6,395	Nil	\$56,395

Note 1: The value of Share based payments have been determined based on advice from an independent expert, Stantons International Securities Pty Ltd using the Black & Scholes option pricing model on the assumptions set out below.



- (h) Ms Leanne Graham currently has no relevant interests in any security holdings of the Company:
- (i) Assuming that Shareholders approve Resolution 5, 500,000 Options will be issued under Resolution 5. On this basis, the Shares issued on exercise of the Options issued under Resolution 5 will increase the number of Shares on issue from 321,156,351 (as at the date of this Notice) to 321,656,351 (assuming that no other Shares are issued in the meantime, including by way of exercise of other Options). The effect of this increase is that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 0.16%.
- (j) The Board has received advice from an independent expert Stantons International Securities Pty Ltd on the value of the Options and determined on the basis of the assumptions set out below, the technical value of one Option is as follows:

Director	Number of Options	Value Per Option \$	Total Value \$
Leanne Graham	500,000	\$0.01279	\$6,395

This valuation imputes a total value of \$6,395 to the Options. The value may go up or down after the date of valuation as it will depend on the future price of a Share. The Black Scholes Pricing Model has been used to value the Options, with the following assumptions:

- (i) the risk free rate of 1.90% is the Reserve Bank of Australia's three-year bond rate;
- (ii) the underlying security spot price of \$0.08 used for the purposes of this valuation is based on the share price of the Company on the day of the report (being 18 October 2016);
- (iii) the estimated volatility used in the option valuation is 50%;
- (iv) for the purposes of the valuation, no future dividend payments have been forecast; and
- (v) for the purposes of the valuation it is assumed that the Options will be issued on date of the valuation, being 18 October 2016 and the Options will expire on 28 July 2020.
- (k) Under the accounting standard AASB 2 share based payments, the Company will recognise an expense in the income statement based on the fair value of the Options over the period from the date of issue to the vesting date. The total of the fair value of the Options issued is \$6,395 at the date of the Notice.
- (l) The trading history of the Shares on the ASX in the 12 months before the date of this Notice is as follows:

Shares	Price	Date
Highest	\$0.145	21 July 2016
Lowest	\$0.064	13 & 20 September 2016; 4 October 2016;
Last	\$0.076	28 October 2016

- (m) Ms Leanne Graham has an interest in Resolution 5 and therefore declines to make a recommendation on Resolution 5. The other Directors, who do not have a material interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5. The Board (other than Ms Leanne Graham) considers that the grant of Options to Ms Leanne Graham is reasonable in the circumstances, given:
  - (i) the grant of Options to Ms Graham, and in particular, the vesting conditions attaching to those Options will align the interests of Ms Graham with those of Shareholders; and
  - (ii) the grant of the Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Ms Graham.
- (n) A voting exclusion statement is included in the Notice for Resolution 5.
- (o) Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 5.

## **8.5 Director Recommendation**

The Directors (other than Ms Leanne Graham) recommend that Shareholders vote in favour of this Resolution.

## **9. RESOLUTIONS 6 - APPOINTMENT OF AUDITOR**

Subject to ASIC consenting to the resignation of Hall Chadwick, it is proposed, following the nomination of RSM Australia Partners of 525 Collins Street, Melbourne, Victoria, 3000 by a Shareholder (refer to Schedule 4) pursuant to section 328B of the Corporations Act, that the Company by Resolution 6 appoints RSM Australia Partners as new auditor of the Company with effect from the later of:

- (a) the passing of Resolution 6; and
- (b) the grant of consent by ASIC to the resignation of the current auditor of the Company.

RSM Australia Partners has consented to act in the capacity of auditor, subject to the passing of Resolution 6. All other requirements of the Corporations Act in relation to the appointment of an auditor have been, or, at the date of the Notice are being met.

Resolution 6 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 6.

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

## SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 7.1.

**10% Placement Period** has the meaning given in Section 7.2(f).

**AEDT** means Australian Eastern Daylight Time, being the time in Melbourne, Victoria.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2016.

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

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Chairman** means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means BidEnergy Limited (ACN 131 445 335).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

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

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

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

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listed Option** means an Option listed on ASX.

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

**Managing Director** means the managing director of the Company.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Option** means an option which entitles the holder to subscribe for a Share.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means volume weighted average price.

**Warrant** means a warrant to buy Shares.

**SCHEDULE 2: LISTING RULE 7.3A.6 DISCLOSURE**

**Issues of Equity Securities during the 12 months preceding the date of the Meeting**

No.	Date of Issue	Number	Class <sup>1</sup>	Persons to whom the securities were issued	Issue price (A\$)	Discount (if any) to market price <sup>2</sup> on date of issue	Consideration	
1.	8 Dec 2015	400,000	Fully paid ordinary shares	Option holders upon the exercise of unlisted options	0.005	37.5%	Total consideration:	\$2,000 <sup>2</sup>
2.	1 July 2016	201,396,700	Fully paid ordinary shares	Issued to shareholders of BidEnergy Pty Ltd	Deemed issue price of \$0.10	16.67%	Consideration:	Acquisition of BidEnergy Pty Ltd
							Current value of non-cash consideration:	\$16,111,736 <sup>3</sup>
3.	1 July 2016	70,000,000	Fully paid ordinary shares	Issued pursuant to capital raising	0.10	16.67%	Total consideration(A\$):	\$7,000,000 <sup>3</sup>
4.	1 July 2016	10,798,670	Unlisted Class A Options	Canaccord Genuity (Australia) Ltd	Nil	100%	Consideration:	Acquisition of BidEnergy Pty Ltd
							Current value of non-cash consideration:	\$341,778 <sup>3</sup>
5.	1 July 2016	9,243,759	Unlisted Class B Options	Canaccord Genuity (Australia) Ltd	Nil	100%	Consideration:	Acquisition of BidEnergy Pty Ltd
							Current value of non-cash consideration:	\$289,219 <sup>3</sup>
6.	1 July 2016	23,514,921	Unlisted Class C Options	Issued to shareholders of BidEnergy Pty Ltd	Nil	100%	Consideration:	Acquisition of BidEnergy Pty Ltd
							Current value of non-cash consideration:	\$644,897 <sup>3</sup>

No.	Date of Issue	Number	Class <sup>1</sup>	Persons to whom the securities were issued	Issue price (A\$)	Discount (if any) to market price <sup>2</sup> on date of issue	Consideration
7.	1 July 2016	25,000,000	Unlisted Class D Options	Cynet Capital Pty Ltd and Canaccord Genuity (Australia) Ltd	Nil	100%	Consideration: Introduction of the BidEnergy Pty Ltd acquisition
							Current value of non-cash consideration: \$685,125 <sup>3</sup>
8.	1 July 2016	35,000,000	Class A Performance Shares	Issued to shareholders of BidEnergy Pty Ltd	Nil	100%	Consideration: Acquisition of BidEnergy Pty Ltd
							Current value of non-cash consideration: \$2,800,000 <sup>3</sup>
9.	1 July 2016	35,000,000	Class B Performance Shares	Issued to shareholders of BidEnergy Pty Ltd	Nil	100%	Consideration: Acquisition of BidEnergy Pty Ltd
							Current value of non-cash consideration: \$2,800,000 <sup>3</sup>
10.	1 July 2016	11,060,722	Performance Rights	Issued to certain employees	Nil	100%	Consideration: Issued pursuant to the proposed long term incentive plan
							Current value of non-cash consideration: \$201,084 <sup>3</sup>

**Notes:**

**1. Terms of Securities**

All Shares issued during the 12 months preceding the date of this Meeting were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares (terms are set out in the Constitution of the Company), with the only exception being that some Shares are subject to escrow restrictions.

The material terms and conditions of Options issued during the 12 months preceding the date of this Meeting are set out below:

- Unlisted Class A Options are exercisable at \$0.10 each on or before 30 September 2017 and are subject to escrow restrictions until 1 July 2018.
- Unlisted Class B Options are exercisable at \$0.125 each on or before 31 December 2018 and are subject to escrow restrictions until 1 July 2018.
- Unlisted Class C Options are exercisable at \$0.15 each on or before 1 July 2019 and are subject to escrow restrictions until 1 July 2017.
- Unlisted Class D Options are exercisable at \$0.15 each on or before 30 June 2019 and are subject to escrow restrictions until 1 July 2018.

The material terms and conditions of Performance Shares issued during the 12 months preceding the date of this Meeting are set out below:

- Class A Performance Shares will convert into one Share upon the Company satisfying the Class A Performance Milestone on or before 1 July 2020, being monthly revenue of \$150,000, which will be verified on a six-monthly basis, based on the Company's audited half-year financial statements and/or full year financial statements (as the case may be), indicating revenue of at least \$900,000 for the relevant six month period.
- Class B Performance Shares will convert into one Share upon the Company satisfying the Class B Performance Milestone on or before 1 July 2020, being monthly revenue of \$250,000, which will be verified on a six-monthly basis, based on the Company's audited half-year financial statements and/or full year financial statements (as the case may be), indicating revenue of at least \$1,500,000 for the relevant six month period.

Performance Rights issued during the 12 months preceding the date of this Meeting were issued to certain key employees of the Company pursuant to the Company's approved Long Term Incentive Plan, and are exercisable at 12 cents on or before 1 July 2020 and are subject to vesting conditions related to ongoing employment by the Company.

The full terms and conditions of the Equity Securities issued during the 12 months preceding the date of this Meeting are set out in the Prospectus dated 29 April 2016.

**2. Market Price** means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the trading day prior to the date of issue of the relevant Equity Securities.

**3. Current Value:**

In respect of quoted Equity Securities, the value is based on the closing price of the Shares \$0.08 or Options \$0.04 as the context requires on the ASX on 18 October 2016.

In respect of unquoted Equity Securities:

- a) the value of Options and Performance Rights is based on an independent valuation undertaken by Stantons International Securities Pty Ltd, measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date (being 18 October 2016), the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares); and
- b) the value of Performance Shares is based on an independent valuation undertaken by Stantons International Securities Pty Ltd, determined on the basis of value of the underlying Shares as traded on the ASX on the date of the valuation, being \$0.08 per Share as at 18 October 2016. Consistent with the approach taken in respect of the valuations of all other non-quoted equity securities of the Company, no account has been taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

**4. Use of Funds:** During the 12 months preceding the date of this Meeting, the Company received a total cash consideration of approximately \$7 million (before costs) from the issue of Equity Securities, of which 5% was spent on costs associated with the acquisition of BidEnergy (Operations) Pty Ltd (formerly BidEnergy Pty Ltd) and funding the operations and working capital requirements of the Company both pre and post the completion of the reverse acquisition transaction.

The Company intends to apply remaining funds towards the ongoing research and development of the Company's proprietary software technology, general working capital to facilitate the operations of the Company's existing business, as well as the expansion of the Company's operations both domestically and internationally through the acquisition of assets, businesses or investments.

This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

### **SCHEDULE 3: OPTIONS ISSUED TO MS LEANNE GRAHAM**

#### **1. ENTITLEMENT**

Each Option entitles the holder (**Holder**) to subscribe for one ordinary share (Share) in BidEnergy Limited (**Company**) upon exercise.

#### **2. EXERCISE PRICE AND EXPIRY DATE**

Each Option shall have an exercise price of \$0.10 (**Exercise Price**) and expire on 28 July 2020 (**Expiry Date**).

#### **3. VESTING CONDITIONS**

The Options shall vest and become exercisable upon the satisfaction of both of the following vesting conditions:

- a) The price of quoted fully paid ordinary shares of the Company (ASX: BID) traded on the ASX exceeds \$0.20 on the date upon which the Company receives from the Holder a Notice of Exercise; and
- b) The completion of two years of continuous service as a Director of the Company.

Should the holder cease to be a director of the Company, any unvested Options will immediately lapse (in the absence of the Company agreeing otherwise).

#### **4. EXERCISE PERIOD**

Each Option is exercisable at any time on and from the satisfaction of the vesting conditions set out in clause 3 above until the Expiry Date (**Exercise Period**).

#### **5. NOTICE OF EXERCISE**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

#### **6. SHARES ISSUED ON EXERCISE**

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

#### **7. QUOTATION OF SHARES ON EXERCISE**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

#### **8. TIMING OF ISSUE OF SHARES AND QUOTATION OF SHARES ON EXERCISE**

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

- 8.1.1 allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- 8.1.2 if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - 8.1.3 if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- 8.2 If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

## **9. PARTICIPATION IN NEW ISSUES**

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

## **10. ADJUSTMENT FOR BONUS ISSUES OF SHARES**

- 10.1 If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
  - 10.1.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Holder of Options had exercised the Option before the record date for the bonus issue; and
  - 10.1.2 no change will be made to the Exercise Price.

## **11. ADJUSTMENT FOR RIGHTS ISSUE**

- 11.1 If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.



D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

## **12. ADJUSTMENTS FOR REORGANISATION**

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

## **13. QUOTATION OF OPTIONS**

No application for quotation of the Options will be made by the Company.

## **14. TRANSFERABILITY**

The Options are not transferable, without the prior consent of the Company.

## **15. LODGEMENT INSTRUCTIONS**

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable'. The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.

## SCHEDULE 4: NOMINATION OF AUDITOR

18 October 2016

BidEnergy Limited  
Suite 5, 145 Stirling Highway  
Nedlands WA 6009

Dear Sirs

Auction Design Pty Ltd as Trustee for The Du Preez Family Trust, being a member of BidEnergy Limited, nominate RSM Australia Partners in accordance with section 328B(1) of the Corporations Act 2001 (Cth) (Act) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed:



Anthony Du Preez  
Director  
Auction Design Pty Ltd

**BIDENERGY LIMITED**  
**ACN 131 445 335**  
**PROXY FORM**

The Company Secretary  
**BidEnergy Limited**

**By delivery:**

Suite 5, 145 Stirling Hwy  
 Nedlands, WA 6009

**By post:**

PO Box 3144  
 Nedlands, WA 6009

**By email:**

info@bidenergy.com

**Name of Shareholder:**

**Address of Shareholder:**

**Number of Shares entitled to vote:**

Please mark  to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

**Step 1 - Appoint a Proxy to Vote on Your Behalf**

**The Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at 2:00pm AEDT on Wednesday, 30 November 2016, at the offices of RSM Australia Partners located at 525 Collins Street, Melbourne Victoria 3000 and at any adjournment or postponement of that Meeting.

**Important – If the Chairman is your proxy or is appointed as your proxy by default**

The Chairman intends to vote all available proxies in favour of Resolutions 1-6. If the Chairman is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolutions 1-6, you will be expressly authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolutions 1-6 even if any of Resolutions 1-6 is connected directly or indirectly with the remuneration of a member of Key Management Personnel or a Closely Related Party of Key Management Personnel.

**Step 2 - Instructions as to Voting on Resolutions**

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Remuneration Report			
Resolution 2	Re-Election of Mr Robert Browning as Director			
Resolution 3	Re-Election of Ms Leanne Graham as Director			
Resolution 4	Approval of 10% Placement Facility			
Resolution 5	Issue of Options to Ms Leanne Graham			
Resolution 6	Appointment of Auditor			

**The Chairman intends to vote all available proxies in favour of each Resolution.**

In exceptional circumstances, the Chairman may change his voting intent on any Resolution, in which case an ASX announcement will be made.

**Authorised signature/s**

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

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary
_____	_____	_____
Contact Name	Contact Telephone / Email	Date

**Proxy Notes:**

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or email which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the Perth office of the Company at **PO Box 3144, Nedlands WA 6009** or by email at **info@bidenergy.com** not less than 48 hours prior to the time of commencement of the Meeting.