



ACN 602 638 531

NOTICE OF GENERAL MEETING

**Meeting to be held at 15 McCabe Street, North Fremantle, Western Australia 6159
on Monday, 20 July 2020 commencing at 11:00am (AWST).**

Due to the ongoing COVID-19 pandemic, the Company is taking precautions to facilitate an in person meeting in accordance with COVID-19 restrictions. If the situation in relation to COVID-19 changes in a way affecting the ability to facilitate an in person meeting as currently proposed, the Company will provide a further update ahead of the meeting by way of an ASX announcement on the ASX Market Announcements Platform.

This Notice and Explanatory Statement should be read in its entirety.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.

If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

BAUMART HOLDINGS LIMITED (ACN 602 638 531)

NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of BauMart Holdings Limited (ACN 602 638 531) will be held at 15 McCabe Street, North Fremantle, Western Australia 6159 on Monday, 20 July 2020 commencing at 11:00am (AWST).

Terms and abbreviations used in this Notice are defined in the Glossary in the Explanatory Statement attached to this Notice.

AGENDA

Ordinary business

1. Resolution 1 – Approval of the Transaction

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

“That pursuant to Listing Rule 11.4 and for all other purposes, the Company approves the Transaction under and for the purposes of Listing Rule 11.4.1(b), on such terms and conditions referred to in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the acquirer of the asset, being Ventus Aqua, and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person (or those persons).

However, the Company need not disregard a vote cast if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote as the Chairperson decides; or
- (c) a holder acting solely in a nominee, custodial, trustee or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2 – Amendment to Company’s Constitution – Restricted Securities

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

“That, in accordance with section 136(2) of the Corporations Act and for all other purposes, approval be and is hereby given for the Company to modify its Constitution by making the amendments described in the Explanatory Statement.”

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder 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;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate 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 or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Voting Entitlements

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 Shareholders as set out in the Company's share register 48 hours before the 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 Secretary in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of Corporate Representative form is enclosed if required.

By order of the Board

Mr Matthew Logan
Executive Director

19 June 2020

EXPLANATORY STATEMENT

1. Resolution 1 – Approval of the Transaction

1.1 Background

On 9 June 2020 the Company announced that it had entered into an Asset Purchase Agreement to give effect to the sale of the Asset to Ventus Aqua (**Transaction**).

The consideration to be received at completion of the Transaction is fully paid ordinary shares in Ventus Aqua to the value of \$3,500,000.10 (**Consideration Shares**).

In conjunction with (and as a condition precedent of) the Transaction, Ventus Aqua intends to apply to become included on the official list of the NSX and to have its shares (including the Consideration Shares) quoted on the NSX.

Furthermore, Ventus Aqua intends to acquire all of the shares in the Lessee prior to completion of the Transaction.

Completion of the Transaction is also conditional on (inter alia) the passing of Resolution 1 at the Meeting.

1.2 Listing Rule 11.4

Listing Rule 11.4 provides (inter alia) that an entity must not dispose of a major asset if, at the time of the disposal, if it is aware that the person acquiring the asset intends to offer or issue securities with a view to becoming listed.

Listing Rule 11.4.1(b) provides Listing Rule 11.4 does not apply if the holders of the ordinary securities in the entity approve of the transaction without the offer, issue or transfer referred to in Listing Rule 11.4.1(a) being made.

Listing Rule 11.4.1(a) provides a further exception to Listing Rule 11.4 in circumstances where the securities, except those to be retained by the entity, are offered, issued or transferred pro rata to the holders ordinary securities in the entity, or in another way that, in ASX's opinion, is fair in all the circumstances.

The Transaction is regarded as a disposal of a major asset for the purposes of Listing Rule 11.4. As such, the Transaction will not proceed without the passing of Resolution 1 for the purposes of Listing Rule 11.4.1(b).

1.3 The Transaction

Ventus Aqua currently has 31,583,334 shares on issue. It is currently intended (subject to adjustment of the issue price per share) that Ventus Aqua will issue:

- (a) 11,666,667 Consideration Shares to the Company at an issue price of \$0.30 per share upon completion of the Transaction;
- (b) 36,139,920 shares to the Lessee, Sydney Sunny Glass Pty, at an issue price of \$0.30 per share for 100% of the issued capital of the Lessee; and

- (c) 6,666,667 shares to raise at least \$2,000,000 at an issue price \$0.30 of per share under the IPO.

Shareholders may participate in the IPO on the same basis, and subject to the same conditions, as any other participants under the offer.

It is intended that the Transaction and the IPO will be completed no later than 15 August 2020.

The Company currently estimates that the Asset has a market value of approximately \$3,500,000, being the value of the Consideration Shares. However, the Company's latest financial statements lodged with ASX on 28 February 2020 record the value of the Asset as \$nil.

The Transaction will not have any dilutive effect on Shareholders, nor are there any taxation implications of the Transaction for Shareholders.

The Board believes the Transaction is in the best interests of the Company and the Shareholders for the following reasons:

- (a) it is in line with the Company's strategy to divest non-core assets and focus on divisions with stronger margin products and services; and
- (b) the Company's believes that its business objectives are better focused elsewhere than on the glass products supply sector and therefore it is best for the Company to realise value for the Asset via disposal of it to a party that will be better positioned to manage the Asset more efficiently within its structure.

The Transaction is expected to have the following impacts on the Company:

Particulars	Prior to Transaction - Position of Company as stated in latest audited, consolidated financial statements	Effect of Transaction	Post Transaction Analysis - Pro forma	Percentage Change due to Transaction	Scale of Change
Total Consolidated Assets ¹	6,661,810	3,500,000	10,161,810	53%	1.53
Total Equity ²	1,272,678	3,436,553	4,709,231	270%	3.70

Particulars	Prior to Transaction - Position of Company as stated in latest audited, consolidated financial statements	Effect of Transaction	Post Transaction Analysis - Pro forma	Percentage Change due to Transaction	Scale of Change
Annual Revenue ³	2,007,151	-	2,007,151	0%	1.00
Earnings before interest, tax, depreciation and amortization	(300,150)	3,436,553	3,136,403	(1,145%)	(10.45)
Annual Profit (before tax and extraordinary items) ⁴	(166,963)	3,436,553	3,269,590	(2,058%)	(19.58)
Total No. of shares	144,744,757	-	144,744,757	0%	1.00
Total No. of options	-	-	-	N/A	N/A
Total No. other convertible securities	-	-	-	N/A	N/A
Fully Diluted Issued Capital (shares + all options converted)	144,744,757	-	144,744,757	0%	N/A

1. The Consideration Shares will be classified as a "Financial Asset" by the Company in accordance with the accounting standards.
2. In line with the accounting standards, the Transaction will result in a non-cash increase to "Other Income".
3. Apart from an annual fixed fee of \$50,000 (excluding GST), the Company does not currently earn any material revenue from the Asset and does not expect to do so within the next 12 months, or in the near future.
4. The Company does not derive any profit from the Asset and does not expect to do so within the next 12 months, or in the near future.

1.5 Asset Purchase Agreement

Below is a summary of the material terms of the Asset Purchase Agreement:

- (a) Upon and from completion of the Transaction, the Company agrees to transfer the Asset to Ventus Aqua and assign the lease of the Asset to Ventus Aqua.
- (b) Completion of the Transaction is conditional upon (inter alia):
 - (i) Ventus Aqua acquiring all of the shares in the Lessee;
 - (ii) the lease of the Asset remaining in full force and effect;
 - (iii) Ventus Aqua undertaking the IPO and issuing a prospectus;
 - (iv) Ventus Aqua satisfying the conditions of the IPO;
 - (v) Ventus Aqua obtaining conditional approval from NSX for Ventus Aqua's admission to the official list of NSX; and
 - (vi) the passing of Resolution 1,**(Conditions Precedent).**
- (c) The Conditions Precedent must be satisfied on or before 15 August 2020.
- (d) At completion of the Transaction, Ventus Aqua must issue the Consideration Shares to the Company.
- (e) The Consideration Shares may be subject to escrow or other restrictions on the transfer, disposal or other dealings as required by any applicable law or the NSX.
- (f) Other terms and conditions considered standard for an agreement of this nature.

1.6 Recommendations

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

2. Resolution 2 – Amendment to Company's Constitution – Restricted Securities

2.1 Background

Under section 136(2) of the Corporations Act, the Company may modify its constitution via a special resolution of its Shareholders.

Accordingly, Resolution 2 is a special resolution and therefore requires approval of 75% of the votes by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in a case of a corporate Shareholder, by a corporate representative).

Changes to the Listing Rules which came into effect on 1 December 2019 will require a listed entity's constitution to contain certain provisions regarding Restricted Securities. Although the Company does not presently have any Restricted Securities on issue and does not have any present intentions to undertake a transaction which would result in the issue of Restricted Securities, the Board considers it prudent to take this opportunity to update the Constitution to ensure it complies with these new requirements.

These amendments will allow listed entities to align their constitutions with the modified two-tier escrow regime where ASX can require more significant holders of Restricted Securities to execute a formal escrow agreement in the form of Appendix 9A of the Listing Rules. However, for less significant holdings, ASX will instead permit entities to rely on a provision in the constitution imposing appropriate escrow restrictions on the holders of Restricted Securities and to simply give a notice to the holders in the form set out in an appendix to the Listing Rules, advising them of those restrictions.

The proposed amendment to clause 2.11 of the Constitution is set out in Schedule 1 of this Notice.

By Resolution 2, the Company seeks Shareholder approval to amend and replace a clause in the Company's Constitution as set out in Schedule 1 of this Notice.

2.2 Recommendations

The Board unanimously recommends that Shareholders vote in favour of Resolution 2.

3. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

4. Glossary

\$ means Australian dollars.

Asset means the leasing business conducted by the Company in relation to the Equipment, including:

- (a) the Equipment; and
- (b) the Company's rights, entitlements, benefits, and interests under the Lease as outlined in the Asset Purchase Agreement.

Asset Purchase Agreement means the asset purchase agreement between the Company and Ventus Aqua dated on or about 8 June 2020.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting.

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

Consideration Shares has the meaning given in Section 1.1.

Constitution means the constitution of the Company as at the date of the Meeting.

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

Director means a director of the Company.

Equipment means the glass processing system manufactured by LISEC Holding GmbH and other equipment.

Explanatory Statement means the explanatory statement attached to the Notice, including Schedule 1.

IPO means an initial public offering of shares by Ventus Aqua.

Lease means the equipment lease between the Company and the Lessee dated on or about 1 March 2017 under which the Company leases the Equipment to the Lessee.

Lessee means Sydney Sunny Glass Pty Ltd (ACN 603 335 548), being the lessee of the Lease.

Listing Rules means the ASX Listing Rules.

Meeting means the general meeting the subject of this Notice.

Notice means this notice of meeting including the Explanatory Statement.

NSX means National Stock Exchange of Australia Limited (ACN 000 902 063), including the financial market operated by it.

Resolution means a resolution contained in the Notice.

Restricted Securities has the same meaning as in the Listing Rules.

Section means a section contained in this Explanatory Statement.

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

Shareholder means a shareholder of the Company.

Transaction has the meaning given in Section 1.1.

Ventus Aqua means Ventus Aqua Pty Ltd (ACN 632 790 660).

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

Schedule 1

Proposed amendment to Company's Constitution

The below amendment will replace and supersede clause 2.11 of the Constitution to facilitate the Company's compliance with the changes to the ASX escrow regime and the Listing Rules.

For avoidance of doubt, Restricted Securities has the meaning ascribed to it by the Listing Rules.

Existing Clause	Proposed Amendment
<u>CLAUSE 2.11</u> The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above: (a) Restricted Securities cannot be disposed of during the escrow period except as permitted by the Listing Rules or the ASX; (b) the Company will refuse to acknowledge a disposal (including registering a transfer), assignment or transfer of Restricted Securities during the escrow period as permitted by the Listing Rules or the ASX; and (c) during a breach of the Listing Rules relating to Restricted Securities or a breach of a restriction agreement the holder of the Restricted Securities is not entitled to any dividend or distribution, or voting rights, in respect of the Restricted Securities.	<u>CLAUSE 2.11</u> The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above: (a) a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX; (b) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the entity's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities; (c) the Company will refuse to acknowledge any disposal (including, without limitation to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX; (d) a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX; and (e) if a holder of restricted securities breaches a restriction deed or a provision of the constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

Company or Trust in which Securityholding is held

BauMart Holdings Limited (ACN 602 638 531)

Registered
Name(s)

Registered
Address

Holder Identification Number (HIN) or
Securityholder Reference Number (SRN)

Use a black pen.
Print in CAPITAL letters.

A B C

1 2 3

Where a choice is required,
mark the box with an 'X'

X

Appointment of Corporate Representative

A Appointment of Corporate Representative

The abovenamed registered holder hereby appoints:

to act as its representative at:

☐

the meeting of the above named company to be held on:

Day	Month	Year
/	/	

*and at any adjournment of that meeting

OR

☐

all meetings of the above named company.

Please state if there are any restrictions on the representative's power:

YES ☐ NO ☐

If yes, please describe these restrictions

Contact Name

Telephone Number – Business Hours / After Hours

B Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with the instructions set out above. We acknowledge that these instructions supersede and priority over all previous instructions.

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

Day	Month	Year
/	/	

How to complete this form

A

Appointment of Corporate Representative

Enter the name of the person you wish to appoint as a corporate representative
Indicate whether this appointment is for one specific meeting or all future meetings. If it is only for one specific meeting, enter the date of that meeting.
State if there are any restrictions to the representative's power and, if so, describe these.
Please enter contact details so that we can call you in the instance we have a query regarding this form.

B

Signature(s)

You must sign this form as follows in the space provided:
Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable.



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

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

OR

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 (or if no directions have been given, as the proxy sees fit) at the General Meeting of BauMart Holdings Limited to be held at 15 McCabe Street, North Fremantle Western Australia 6159, on Monday, 20 July 2020 commencing at 11:00 am (AWST) and at any adjournment of that meeting.

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

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 ☒ to indicate your directions

	<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>
1. Approval of the Transaction	☐	☐	☐
2. Amendment to Company's Constitution – Restricted Securities	☐	☐	☐

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 and your votes will not be counted in computing the required majority 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

Individual/ Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 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. An appointment of corporate representative form is enclosed if required.

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 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 "Appointment of Corporate Representative" form should be produced prior to admission. The form is enclosed if required.

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 email to BauMart Holdings Limited:-

PO Box 4324
Mosman Park South WA 6012

Email: info@baumart.com.au