

ENERGY ONE LIMITED

ABN 37 076 583 018

NOTICE OF ANNUAL GENERAL MEETING

Date Thursday 26 October 2017
Time 10:00 am (AEDT)
Place Level 13, 77 Pacific Highway
North Sydney NSW 2060

**THIS IS AN IMPORTANT DOCUMENT
AND REQUIRES YOUR ATTENTION**

If you have any doubts about the contents of this document
please consult your financial or other professional advisor.

Energy One Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Energy One Limited [ABN 37 076 583 018] ("the Company") will be held at Level 13, 77 Pacific Highway, North Sydney NSW 2060 on Thursday 26 October 2017 at 10.00am (AEDT). A proxy form accompanies this Notice of Annual General Meeting.

AGENDA

1. Financial Statements and Reports

To consider the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2017.

2. Adoption of Remuneration Report

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

"That the Remuneration Report for the financial year ended 30 June 2017 be adopted."

3. Election of Directors – Mr. Andrew Bonwick

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

"That Mr. Andrew Bonwick, a director of the Company who retires by rotation at this Annual General Meeting in accordance with Listing Rule 14.4 and, being eligible, offers himself for re-election, be elected as a non-executive director of the Company."

4. Election of Directors – Mr. Vaughan Busby

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

"That Mr. Vaughan Busby, a director of the Company who retires by rotation at this Annual General Meeting in accordance with Listing Rule 14.4 and, being eligible, offers himself for re-election, be elected as a non-executive director of the Company."

5. Ratification of Issue of Securities

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

'That for the purposes of Listing Rule 7.4, and for all other purposes, shareholders ratify and approve the issue of 789,473 shares in the Company issued to Shuper SMSF Pty Limited on 31 May 2017 at an issue price of \$0.38 as part of the consideration for the acquisition of all the shares in Creative Analytics Pty Limited, as described in the Explanatory Memorandum'.

6. Approve the Energy One Equity Incentive Plan (EIP)

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

'That for the purposes of ASX Listing Rule 7.2, exception 9(b), and for all other purposes, the issue of equity securities under Energy One Equity Incentive Plan (EIP), as described in the Explanatory Memorandum, be approved as an exception to ASX listing rule 7.1.'

7. Grant of Performance Rights to the Managing Director & CEO, Mr Shaun Ankers

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

'That approval be given to the grant of 200,000 Performance and Service Rights to the Managing Director & CEO, Mr Shaun Ankers, under the **Energy One Equity Incentive Plan (EIP)**, on the terms summarised in the Explanatory Memorandum'.

8. Grant of Service Rights to the Non-Executive Directors

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

'That approval be given to the grant of 253,341 Service Rights to the non-executive directors Messrs. Weiss, Bonwick, Busby and Ferrier, under the **Energy One Equity Incentive Plan (EIP)**, on the terms summarised in the Explanatory Memorandum'.

9. General Business

To transact any other business legally brought forward to the meeting in accordance with the Constitution.

Richard Standen

Company Secretary

By order of the Board 31 August 2017

VOTING INSTRUCTIONS

Voting entitlement

Pursuant to Section 1109N of the Corporations Act, the Company has determined that for the purpose of the Annual General Meeting, shares will be taken to be held by the persons who are the registered holders at 7.00pm (AEDT) on Tuesday 24 October 2017. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Voting Options

You may vote by attending the meeting in person or by proxy or a body corporate can appoint a corporate representative. If attending the meeting, please bring your personalised voting form with you as it will help you to register your attendance at the meeting.

Voting in person

You may vote in person by attending the meeting. The meeting details are at the front of this Notice of Meeting.

Voting by proxy

A shareholder who is entitled to attend and vote at the meeting may appoint a person as the shareholder's proxy to attend and vote on behalf of the shareholder. Proxies need not be shareholders of the Company.

A shareholder who is entitled to attend and cast two or more votes at the meeting may appoint not more than two proxies to attend and vote on behalf of the shareholder. Where two proxies are appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights.

Any person who is a joint holder of Shares may appoint a proxy by completing the proxy form attached to this notice of meeting. If more than one joint holder appoints a proxy or seeks to vote personally at the meeting, then the person whose name stands first on the register shall alone be entitled to vote. If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the proxy form.

If you wish to vote by proxy, please complete and sign the proxy form included with this notice of meeting and return it to the Company Secretary, Energy One Limited so that it is received no later than 48 hours before the time for holding the meeting. Proxy forms received after the time stated above will not be accepted or valid.

By email:	richard.standen@energyone.com.au
By facsimile:	(02) 8925-9134
By mail:	Reply paid envelope attached, PO Box 6400 North Sydney 2060
By delivery:	Level 13, 77 Pacific Highway, North Sydney, NSW 2060

Corporate Representatives

A shareholder that is a company may by resolution of its directors authorise a person to act as its representative to vote at the meeting. A certificate of appointment of a corporate representative must be executed in accordance with the relevant company's constitution and must be available for inspection at the meeting. Where the certificate of appointment is signed on behalf of the company by only one signatory and that signatory is not the sole director and sole company secretary, a certified copy of the company's constitution must also be available at the meeting.

Voting exclusions

Resolution 2

Under the Corporations Act 2001, no vote may be cast (in any capacity) on Resolution 2 by or on behalf of a member of the Key Management Personnel ('KMP') whose remuneration details are included in the remuneration report for the year ended 30 June 2017, or a closely related party of any such member of the KMP.

However, these restrictions will not apply to a vote cast as proxy for a person who is entitled to vote on the resolution:

- if the vote is cast in accordance with directions in the proxy form specifying how the proxy is to vote on Resolution 2, or
- if the vote is cast by the Chairman of the meeting and the proxy form authorises him to vote as he decides on Resolution 2 (even though Resolution 2 is connected with the remuneration of members of the KMP, including the Chairman).

The Chairman of the meeting intends to vote, as your proxy, in favour of Resolution 2. If you do not want the Chairman of the meeting to vote as your proxy in favour or against this resolution you need to direct your proxy to vote for, against, or to abstain from voting on, the relevant resolution by marking the appropriate box on the proxy form.

Resolution 5

No vote may be cast (in any capacity) on Resolution 5 by or on behalf of any participants or any associated persons or parties, in the shares issued as referred to in resolution 5.

However, restrictions will not apply to a vote cast as proxy for a person who is entitled to vote on the resolution:

- if it is cast in accordance with directions in the proxy form specifying how the proxy is to vote on Resolution 5, or
- if it is cast by the Chairman of the meeting and the proxy form authorises him to vote as he decides on Resolution 5.

The Chairman of the meeting intends to vote, as your proxy, in favour of Resolution 5. If you do not want the Chairman of the meeting to vote as your proxy in favour or against this resolution you need to direct your proxy to vote for, against, or to abstain from voting on, the relevant resolution by marking the appropriate box on the proxy form.

VOTING INSTRUCTIONS (continued)

Resolution 6

In accordance with the Listing Rules, the following persons may not vote, and the Company will disregard any votes cast by the following persons on Resolution 6:

Any Director and any employee who is eligible to participate in the Energy One Equity Incentive Plan or the granting of performance rights or the granting of service rights (and any associate of a Director or an employee). However, the Company need not disregard a vote if:

- (i) 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
- (ii) it is cast by the Chair of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7

In accordance with the Listing Rules, the following persons may not vote, and the Company will disregard any votes cast by the following persons, on Resolution 7:

CEO & Managing Director, Shaun Ankers who is eligible to participate in the Energy One Equity Incentive Plan or the granting of performance rights or the granting of service rights (and any associate of Shaun Ankers). However, the Company need not disregard a vote if:

- (i) 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
- (ii) it is cast by the Chair of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8

In accordance with the Listing Rules, the following persons may not vote, and the Company will disregard any votes cast by the following persons, on Resolution 8:

Any Director who is eligible to participate in the Energy One Equity Incentive Plan or the granting of performance rights or the granting of service rights (and any associate of a Director, Shaun Ankers or an employee on the relevant resolutions). However, the Company need not disregard a vote if:

- (i) 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
- (ii) it is cast by the Chair of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, in accordance with the Corporations Act, a vote must not be cast on Resolution 6, 7 and 8 by any member of the KMP or any closely related party of any such member of the KMP that is appointed as proxy if the appointment does not specify the way in which the proxy is to vote unless:

- (i) the proxy is the Chair of the meeting at which the relevant resolution is voted on; and
- (ii) the proxy appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected, directly or indirectly, with the remuneration of a member of the KMP.

The Chairman of the meeting intends to vote, as your proxy, in favour of Resolution 6, 7 and 8. If you do not want the Chairman of the meeting to vote as your proxy in favour of these resolutions you need to direct your proxy to vote against, or to abstain from voting on, the relevant resolution by marking the appropriate box on the proxy form.

EXPLANATORY NOTES

Note 1: Financial Statements and Reports

The Financial Statements, the Directors' Report and the Auditors' Report for Energy One Limited for the year ended 30 June 2017 will be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or the Constitution of the Company for the shareholders to approve these reports. No resolution will be put to the meeting on this item of business.

The Chairman will provide a reasonable opportunity for shareholders to ask questions and make comments on the reports. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the auditor's report.

Note 2: Adoption of Remuneration Report

The Remuneration Report is set out in the Directors' Report of the Annual Report on pages 12 through 16.

The Remuneration Report Sets out matters including (but not limited to):

- Energy One policies for determining the remuneration of directors and executives;
- The remuneration details for directors and executives;
- Certain 'prescribed details' of specified directors and executives of the Company.

EXPLANATORY NOTES (continued)

Executive remuneration and the terms of employment are reviewed annually having regard to personal and corporate performance, contribution to long-term growth, relevant comparative information and independent expert advice. The Board believes that the Company's remuneration arrangements, as set out in the Remuneration Report, are fair and appropriate to support the direction of the Company.

The shareholder vote is advisory only and does not bind the directors of the Company.

The Chairman will provide a reasonable opportunity for shareholders to ask questions and make comments on the Remuneration Report.

The Directors unanimously recommend that you vote in favour of the Resolution to Adopt the Remuneration Report. The Chairman intends to vote all available proxies in favour of Resolution 2.

Note 3: Election of Directors - Mr. Andrew Bonwick

Under Listing Rule 14.4, a director must not hold office without re-election past the third annual general meeting following the director's appointment or three years, whichever is longer. A director who retires in accordance with these requirements is eligible for re-election.

Mr. Bonwick, a non-executive director, retires by rotation and, being eligible, offers himself for re-election.

Mr. Bonwick was appointed a director of Energy One Ltd in October 2006. Mr. Bonwick was the Managing Director of ASX listed Australian Energy Limited (now called Power Direct) and prior to that was the Marketing Director of Yallourn Energy for 6 years. His career has included roles in senior management, institutional equity research and management consulting.

The Directors, excluding Mr. Andrew Bonwick, unanimously recommend that you vote in favour of the Resolution to elect Mr. Andrew Bonwick. The Chairman intends to vote all available proxies in favour of the Resolution.

Note 4: Election of Directors - Mr. Vaughan Busby

Under Listing Rule 14.4, a director must not hold office without re-election past the third annual general meeting following the director's appointment or three years, whichever is longer. A director who retires in accordance with these requirements is eligible for re-election.

Mr. Busby, a non-executive director, retires by rotation and, being eligible, offers himself for re-election.

Mr. Busby was appointed a director of Energy One Ltd in May 2005. Mr. Busby was previously the CEO and Managing Director of Energy One. Previously a Director of Ferrier Hodgson, he has considerable experience in turnaround and restructuring of businesses.

The Directors, excluding Mr. Vaughan Busby, unanimously recommend that you vote in favour of the Resolution to elect Mr. Vaughan Busby. The Chairman intends to vote all available proxies in favour of the Resolution.

Note 5: Ratification of issue of securities

The purpose of this resolution is for shareholders to approve, pursuant to Listing Rule 7.4, and for all other purposes, the issue of shares for the acquisition of shares by Creative Analytics Pty Limited.

Listing Rule 7.1 provides (subject to certain exceptions) that prior shareholder approval is required for an issue of shares, if the shares, when aggregated with the shares issued by a company during the last 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period. Under Listing Rule 7.1, a company may issue up to 15% of its ordinary share capital in any 12 month rolling period on a non pro-rata basis without shareholder approval.

Listing Rule 7.4 also provides that an issue of shares made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 where the issue did not breach Listing Rule 7.1 and the shareholders subsequently approve it. This issue of shares has already taken place, within the 15% limit prescribed by Listing Rule 7.1.

The approval sought in this under Listing Rule 7.4, is effectively a retrospective approval to refresh the Company's capacity to issue further equity securities pursuant to Listing Rule 7.1, should there be a requirement to do so.

Details of the issues of shares to Shuper SMSF Pty Limited on 31 May 2017 in connection with the acquisition of Creative Analytics Pty Limited is set out in the table below. If shareholders approve the resolution, the share issue would be treated, for the purpose of Listing Rule 7.1, as having been made with prior member approval. The issued shares would then cease to use up part of the Company's 15% limit and would enable that proportion of the 15% limit to be used for a future issue of equity securities. The Company would have the flexibility to issue more shares in the next 12 months if an opportunity arises which the Directors believe is in the best interests of the Company.

EXPLANATORY NOTES (continued)

If shareholders do not approve the resolution it will not invalidate the shares issued. Information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5. In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the share issue : -

Number of Securities	789,473
Issue price	\$0.38
Issue date	31 May 2017
Terms of Securities	Ordinary shares, ranking equally with all other existing fully paid ordinary shares
Name of allottees	Shuper SMSF Pty Limited
Use of share issue	Part consideration to acquire all shares in Creative Analytics Pty Limited.

The Directors unanimously recommend that you vote in favour of the Resolution to ratify the issues of securities. The Chairman intends to vote all available proxies in favour of the Resolution.

Note 6: Approve the Energy One Equity Incentive Plan (EIP)

Shareholder approval of the Energy One Equity Incentive Plan (EIP) is being sought for all purposes under the Corporations Act and under the ASX Listing Rules including but not limited to ASX Listing Rule 7.2 (Exception 9b), so that any equity securities issued under the EIP (including shares issued on the exercise of ESS interests (defined below) issued under the EIP) will be excluded from the calculation of the maximum number of new shares that can be issued by the Company in any 12 month period (currently 15% of shares previously on issue) for a period of three years from the date of approval. The EIP was previously approved at the AGM held 16 October 2014.

The **Energy One Equity Incentive Plan (EIP)** is an employee equity plan developed to meet contemporary equity design standards and to provide the greatest possible flexibility in the design and offer choices available to the Company. The EIP enables the Company to offer employees a range of different employee share scheme (ESS) interests.

These **ESS interests** or Awards include:

- Options;
- Performance Rights;
- Service Rights;
- Deferred Shares;
- Exempt Shares; and
- Cash Rights.

The Rules of the EIP (**Plan Rules**) provide a full description of the ESS interest types available under the **EIP**, and is available on request from the Company Secretary.

The type of ESS Interest that may be offered to employees of Energy One will be determined by a number of factors, including:

- what the ESS interest is for;
- the possible tax implications for the employee;
- the laws governing the grant of equity incentives; and
- the logistics and compliance costs associated with offering the equity incentives.

As well as offering different types of ESS interests, the EIP, and the offers made under it, may be for different purposes.

It is intended that initial EIP offers will be for the following:

- **Performance & Service Rights** to Mr Shaun Ankers, Managing Director and CEO under the long-term incentive (LTI) program;
- **Performance & Service Rights** to Executive Management under the long-term incentive (LTI) program;
- **Service Rights** to non-executive directors as part of their director fee package; and
- **Exempt Shares** to general employees of Energy One with one or more years' service with the Company.

Whenever EOL shares are required under the EIP, they will be acquired and held by the Energy One Employee Share Trust (EST).

Like the EIP, the EST is governed by a document (the EST Trust Deed) setting out the rules of the EST and the responsibilities of the Trustee, Energy One and EST Participants. A copy of the EST Trust Deed is also available on request from the Company Secretary.

A summary of the key terms of the EIP follow. The terms of specific grants under the EIP are set out in the individual's offer documents.

Types of securities that the company may offer under the EIP: Options, Performance Rights, Service Rights, Deferred Shares, Exempt Shares and Cash Rights.

Eligibility to participate: The Board has the discretion to determine which employees are eligible to participate in the EIP. The definition of employee under the Plan Rules includes any full time or permanent part time employee or officer or director of the Company or any related body corporate of the Company.

EXPLANATORY NOTES (continued)

Vesting conditions: The vesting of any securities issued under the EIP, excluding Exempt Shares, may be conditional on the satisfaction of performance and/or service as determined by the Board and advised to the employee in the individual's offer documents.

Price: Securities issued under the EIP may be issued at no cost to the participants. Options may be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in the individual's offer documents.

Lapse/forfeiture: Securities issued under the EIP will lapse or be forfeited on the earliest of:

- any expiry date applicable to the securities;
- any date which the Board determines that vesting conditions applicable to the securities are not met or cannot be met;
- the participant dealing in respect of the securities in contravention of the EIP;
- the Board determining that a participant has committed an act of fraud, is ineligible to hold the office for the purposes of Part 2D.6 of the Corporations Act, or is found to have acted in a manner that the Board considers to constitute gross misconduct.

Change of Control: On the occurrence of a Change of Control (as defined in the Plan Rules), the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the EIP shall be dealt with.

Cessation of employment: All unvested securities issued under the EIP lapse immediately on termination of employment unless any Leaver's Policy applies or the Board determines otherwise depending on the circumstances.

No dealing/hedging: Dealing restrictions apply to securities issued under the EIP in accordance with the Plan Rules and the Company's share trading policy. It is prohibited to hedge or otherwise protect the value of unvested securities issued under the EIP.

Adjustments: Prior to the allocation of shares to a participant upon vesting or exercise of securities issued under the EIP, the Board may make any adjustments considers appropriate to the terms of securities in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action such as a capital raising or capital reconstruction.

Limits on securities issued: The number of shares that may be issued under the EIP is set with regard to the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus. Currently these limits provide that the number of shares that may be issued, when aggregated with a number of shares issued during the previous 3 years from share issues under all employee share schemes established by the Company (including as a result of exercise of options to acquire shares granted to the previous five years under any such employee share scheme), must not exceed 5% of the total number of shares on issue, disregarding certain unregulated offers.

Initial grants under the EIP

Subject to approval by shareholders of Resolutions 6, 7 and 8, the Company intends making the following offers to employees:

1. Performance & Service Rights - CEO

It is proposed that **200,000** Performance Rights will be granted to the Company's Managing Director and CEO, Mr Shaun Ankers, subject to the service and performance vesting conditions detailed in **Note 7**.

The purpose of this offer is to provide Mr Ankers with a long-term service (retention) and performance incentive and to align personal, company and shareholder interests.

Since the inception of the EIP and approval at the AGM on 16 October 2014, the following performance rights for the CEO have been issued and vested :-

Description	Rights Issue Date	No. of Rights Issued	Vesting date	Rights vested to Shares
Tranche 1	12/11/2014	150,000	18/11/2015	150,000
Tranche 2	12/11/2014	166,667	31/08/2015	166,667
Tranche 3	12/11/2014	166,666	-	0
Tranche 4	12/11/2014	166,667	31/08/2017	166,666
Total		650,000		483,333

2. Performance Rights – Executive Management

It is proposed that approximately 450,000 Performance & Service Rights will be granted to the Company's Executive management, subject to the service and performance vesting conditions approved by the Board from time to time. Vesting periods of such rights will be between one year and three years. It is proposed to offer the Performance and Service Rights annually under similar performance and service vesting conditions, subject to annual review by the Board of Directors. If the take-up rate and righted granted is 100%, the cost to the Company will be \$222,030, based on the EOL share price VWAP for the period 23/08/2017 to 29/08/2017 of \$0.4934

The purpose of this offer is to provide the Executive Management with a long-term service (retention) and performance incentive and to align personal, company and shareholder interests.

Since the inception of the EIP and approval at the AGM on 16 October 2014, no performance rights for executive management have been issued and or vested.

EXPLANATORY NOTES (continued)

3. Service Rights – Non-Executive Directors

It is proposed that the non-executive directors will receive 50% of their director fees in the form of Service Rights in the EIP. Further details on the quantum proposed and the service vesting conditions are detailed in **Note 8**.

Board and Committee fees are reviewed periodically having regard to the level of fees paid to Non-Executive Directors at Australian companies of comparable size and complexity. They reflect the responsibilities and time commitment necessary for the role. The purpose and advantage of this offer is to provide a non-cash form of remuneration.

Since the inception of the EIP and approval at the AGM on 16 October 2014, the following service rights for non-executive Directors have been issued and vested :-

Description	Rights Issue Date	No. of Rights Issued	Vesting date	Rights vested to Shares
Approved at 2014 AGM	12/11/2014	312,500	02/11/2015	312,500
Approved at 2015 AGM	02/11/2015	384,615	30/10/2016	384,615
Total		697,115		697,115

4. Exempt Shares - Employees

Australian resident employees with at least 1 years' service with the Company (as at 30 September 2014) will be invited to receive \$1,000 worth of EOL shares free. Under Australian taxation regulations companies are able to provide up to \$1,000 per annum to employees exempt from tax, subject to meeting certain specified qualifying conditions.

Shares under the scheme once granted cannot be forfeited. Shares under the scheme will be held subject to a 3 year holding lock whilst the participant remains an employee.

The offer will be made to approximately 23 Australian employees. If the take-up rate is 100%, the cost to the Company will be \$23,000. If shares are issued to satisfy the offer for both the company and the employees contribution, then 46,000 shares would be issued (based on the closing EOL share price of \$0.50 on 31 August 2017). It is proposed to offer employees exempt shares annually under the same conditions but it subject to annual review by the Board of Directors.

The purpose of this offer is to engage the Company's employees in the success of the business and encourage broad based employee share participation.

Since the inception of the EIP and approval at the AGM on 16 October 2014, the following exempt shares for employees have been issued and approved by the Board of Directors :-

Issue date	Shares Issued
12/11/2014	42,112
02/11/2015	55,368
02/11/2016	38,878
	136,358

The Directors, because of their respective interests, cannot make any recommendation in respect of the resolution for an Energy One Equity Incentive Plan. The Chairman intends to vote all available proxies in favour of the Resolution.

Note 7: Grant of Performance Rights to the Managing Director & CEO, Mr Shaun Ankers

Under ASX Listing Rule 10.14, the Company must seek shareholder approval to grant equity securities in the Company to Directors, including Mr Ankers.

Mr Ankers is eligible for an award in accordance with the Company's long term incentive scheme (LTIS). Accordingly, we are seeking approval to enable the Company to grant the **Performance Rights** to Mr Ankers under the Company's new **Energy One Equity Incentive Plan (EIP)**.

A Performance Right is a right to receive one ordinary share in the Company at a point in the future subject to meeting specified performance, time (service) and/or other conditions. If the applicable conditions (collectively called vesting conditions) are met, the Performance Rights will vest and may be exercised by the holder of the Performance Right in return for an ordinary share in the Company.

More information about the **Energy One Equity Incentive Plan (EIP)** is contained in this explanatory memorandum under **Note 6**.

In addition, approval is sought under Section 200E of the Corporations Act for the pro rata vesting Performance Rights to Mr Ankers in the event of cessation of his employment in limited circumstances under the terms of their invitations.

a) LTI arrangements for Mr Ankers

Mr Ankers' performance and remuneration arrangements have been reviewed under the Company's annual review process. That process has led to a recommendation to seek shareholder approval to grant Performance Rights under the Company's EIP as outlined below.

EXPLANATORY NOTES (continued)

The remuneration arrangements for Mr Ankers are based on the Company's 'Total Annual Reward' (TAR) framework. TAR seeks to provide fair and appropriate rewards, comprised of fixed and 'at risk' elements, designed to attract, retain and motivate employees. These Performance Rights represent the majority of Mr Ankers' 'at risk' remuneration.

The Non-Executive Directors of the Remuneration Committee have concluded that the remuneration arrangement for Mr Ankers (including the proposed grants of Performance Rights) is reasonable and appropriate having regard to the circumstances of the Company and Mr Ankers' duties and responsibilities.

b) What is the maximum number and value of securities that can be granted to Mr Ankers, and at what price?

Performance Rights awarded under the EIP.	200,000 Performance Rights valued at \$98,680¹ ¹Based on the EOL share price VWAP for the period 23/08/2017 to 29/08/2017 of \$0.4934. No price is payable by Mr Ankers for the grant or exercise of the Performance Rights. Importantly, no value will be received by Mr Ankers if the Performance Rights lapse prior to the vesting date.
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c) Conditions and Hurdles

Number of Performance & Service Rights:	Tranche 1	50,000
	Tranche 2	50,000
	Tranche 3	50,000
	Tranche 4	50,000
	Total	200,000
Vesting Date:	Tranche 1	31/08/2018 or 31/08/2019
	Tranche 2	31/8/2019
	Tranche 3	31/8/2020
	Tranche 4	31/08/2018
Exercise Price:	Nil	
Expiry Date:	30 days after the Vesting Date, unless lapsed earlier.	
Vesting Conditions:	Tranche 1 only: In order for any of the Performance Rights to vest and become available for exercise is dependent on Mr Ankers meeting the Service Vesting Condition and Performance Vesting Condition for Tranche 1 & 2 for a vesting date 31/08/2018 otherwise meeting Service Vesting Condition and Performance Vesting Condition for Tranche 1 only has a vesting date of 31/08/2019. Collectively these conditions are known as the Vesting Conditions.	
	Tranches 2 – 4: In order for any of the Performance Rights to vest and become available for exercise is dependent on Mr Ankers meeting the Service Vesting Condition and Energy One meeting the Performance Vesting Conditions. Collectively these conditions are known as the Vesting Conditions.	
Service Vesting Condition:	Continuous employment as Managing Director & CEO (or equivalent) from Grant Date to the relevant Vesting Date.	
Performance Vesting Conditions:	The Board of Directors has set performance vesting conditions for the CEO as part of his remuneration package in accordance with the Company's long-term incentive scheme (LTIS). The conditions have been set in advance, taking into account expected earnings growth by the directors. These performance rights are 'at risk' and will be forfeited if the performance conditions are not achieved.	

Other Conditions

- Performance Rights that fail to meet the Performance Conditions for **all Tranches** will lapse immediately.
- Unvested Performance and Service Rights may in certain circumstances vest early, in accordance with the terms of the Energy One Equity Incentive Plan Rules, and any Leaver's Policy that may apply from time to time, as approved by the Board.
- Dealing in Shares is subject to the constraints of Australian insider trading laws and Energy One's Share Trading Policy.

EXPLANATORY NOTES (continued)

- Participants are specifically prohibited from hedging their Energy One share price exposure in respect of their Performance and Service Rights during the vesting period.
If, in the Board's opinion, the Participant has acted fraudulently or dishonestly or is in breach of his material obligations to Energy One, the Board may determine that any or all of his Performance Rights which have not yet vested, lapse.

d) When will the securities be issued?

Subject to shareholder approval, it is anticipated that the **Performance Rights** for Mr Ankers will be issued shortly after the AGM to coincide with the issue of other grants under the EIP.

Irrespective of these intentions, Performance Right grants approved by shareholders under this resolution will be issued within 12 months of the date of this Meeting.

e) Which directors have received securities since the last Annual General Meeting?

The EIP is a new Plan and no securities have been issued under the EIP.

f) Which directors are entitled to participate?

Currently it is the intention of Energy One that Managing Director only (Mr Ankers) be eligible to receive Performance Rights in the EIP.

g) Other required information: section 200E Corporations Act.

The value of the Performance Rights that may vest on cessation of employment cannot currently be ascertained. The circumstances that may affect the calculation of this value include:

- The market price of EOL shares at the time the employment ceases;
- the performance against the performance hurdles at the time the employment ceases;
- the part of the service period has elapsed at the time the employment ceases; and
- the number of Performance Rights that lapse on cessation of employment

The Directors, excluding Mr. Ankers, recommend that you vote in favour of the Resolution to Grant of Performance Rights to the Managing Director & CEO, Mr Shaun Ankers. The Chairman intends to vote all available proxies in favour of the Resolution.

Note 8: Grant of Service Rights to the Non-Executive Directors

Under ASX Listing Rule 10.14, the Company must seek shareholder approval to grant equity securities in the Company to Directors, including Messrs. Weiss, Bonwick, Busby and Ferrier.

It is proposed that the non-executive directors will receive a proportion of their director fees in the form of Service Rights in the EIP. The advantage to the company is that the Service Rights represent a non-cash form of remuneration. Accordingly, we are seeking approval to enable the Company to grant **253,341 Service Rights** to Messrs. Weiss, Bonwick, Busby and Ferrier under the Company's new **Energy One Equity Incentive Plan (EIP)**.

A Service Right is a right to receive one ordinary share in the Company at a point in the future subject to meeting specified time (service) and/or other conditions. If the applicable conditions (collectively called vesting conditions) are met, the Service Rights will vest and may be exercised by the holder of the Service Right in return for an ordinary share in the Company.

More information about the **Energy One Equity Incentive Plan (EIP)** is contained in this explanatory memorandum under **Note 4**.

In addition, approval is sought under Section 200E of the Corporations Act for the pro rata vesting Service Rights to Messrs. Weiss, Bonwick, Busby and Ferrier in the event of cessation of their employment in limited circumstances under the terms of their invitations.

Remuneration arrangements for Messrs. Weiss, Bonwick, Busby and Ferrier

Board and Committee fees are reviewed periodically having regard to the level of fees paid to Non-Executive Directors at Australian companies of comparable size and complexity. They reflect the responsibilities and time commitment necessary for the role.

The aggregate cap for Non-Executive Directors' remuneration (\$500,000) was last approved by shareholders at the 2009 Annual General Meeting. Note 6 does not change this cap but will more closely align the interests of the Board and shareholders if Non-executive directors are required to receive a proportion of their fees as EOL service rights.

The Company seeks shareholder approval to grant Service Rights to the Non-executive Directors under the Company's EIP as outlined below :

EXPLANATORY NOTES (continued)

	Service Rights	Value ¹
Ottmar Weiss	91,203	\$45,000
Vaughan Busby	60,802	\$30,000
Andrew Bonwick	50,668	\$25,000
Ian Ferrier	50,668	\$25,000
	253,341	\$125,000
¹ Based on the EOL share price VWAP for the period 23/08/2017 to 29/08/2017 of \$0.4934.		
No price is payable by Messrs. Weiss, Bonwick, Busby and Ferrier for the grant or exercise of the Service Rights .		
Importantly, no value will be received by Messrs. Weiss, Bonwick, Busby and Ferrier if the Service Rights lapse prior to the vesting date.		

Conditions and Hurdles

Vesting Date:	31 October 2018
Exercise Price:	Nil
Expiry Date:	30 days after the Vesting Date, unless lapsed earlier.
Vesting Conditions:	In order for any of the Service Rights to vest and become available for exercise is dependent on the director meeting the Service Vesting Condition

Other Conditions

- Unvested Service Rights may in certain circumstances vest early, in accordance with the terms of the Energy One Equity Incentive Plan Rules, and any Leaver's Policy that may apply from time to time, as approved by the Board.
- Dealing in Shares is subject to the constraints of Australian insider trading laws and Energy Ones' Share Trading Policy.
- Participants are specifically prohibited from hedging their Energy One share price exposure in respect of their Service Rights during the vesting period.
- If, in the Board's opinion, Messrs. Weiss, Bonwick, Busby or Ferrier has acted fraudulently or dishonestly or is in breach of their material obligations to Energy One, the Board may determine that any or all of their Service Rights which have not yet vested, lapse.

When will the securities be issued?

Subject to shareholder approval, it is anticipated that the **Service Rights** for Messrs. Weiss, Bonwick, Busby and Ferrier will be issued shortly after the AGM to coincide with the issue of other grants under the EIP. Irrespective of these intentions, Service Right grants approved by shareholders under this resolution will be issued within 12 months of the date of this Meeting.

Which directors have received securities since the last Annual General Meeting?

The EIP is a new Plan and no securities have been issued under the EIP.

Which directors are entitled to participate?

Currently it is the intention of Energy One that non-executive directors only (Messrs. Weiss, Bonwick, Busby and Ferrier) be eligible to receive Service Rights in the EIP.

Other required information: section 200E Corporations Act

The value of the Service Rights that may vest on cessation of employment cannot currently be ascertained.

The circumstances that may affect the calculation of this value include:

- The market price of EOL shares at the time the employment ceases;
- the part of the service period has elapsed at the time the employment ceases; and
- the number of Service Rights that lapse on cessation of employment

The Directors (other than Messrs. Weiss, Bonwick, Busby and Ferrier, because of their respective interests), recommends that you vote in favour of the Grant of Service Rights to the Non-Executive Directors. The Chairman intends to vote all available proxies in favour of the Resolution.

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (AEDT) on Tuesday, 24 October 2017.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. 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 for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (AEDT) on Tuesday, 24 October 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 8925 9134

✉ **By Mail** PO Box 6400
North Sydney NSW 2060

💻 **Online** richard.standen@energyone.com.au

👤 **In Person** Level 13, 77 Pacific Highway,
North Sydney NSW 2060

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Energy One Limited

ABN 37 076 583 018

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Energy One Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Level 13, 77 Pacific Highway, North Sydney NSW 2060 on Thursday, 26 October 2017 at 10:00am (AEDT)** and at any adjournment of that meeting, to act 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.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 2, 6, 7 and 8. I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these resolutions even though Resolution 2, 6, 7 and 8 are connected with the remuneration of a member of key management personnel for Energy One Limited.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business including Resolution 2, 6, 7, 8. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* 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 vote will not be counted in calculating the required majority if a poll is called.

	For	Against	Abstain*
Resolution 2 Adoption of the Remuneration Report	☐	☐	☐
Resolution 3 Election of Directors – Mr. Andrew Bonwick	☐	☐	☐
Resolution 4 Election of Directors – Mr. Vaughan Busby	☐	☐	☐
Resolution 5 Ratification of Issue of Securities	☐	☐	☐
Resolution 6 Approve the Energy One Equity Incentive Plan	☐	☐	☐
Resolution 7 Grant of Performance Rights to the Managing Director and CEO, Mr. Shaun Ankers	☐	☐	☐
Resolution 8 Grant of Service Rights to the Non-Executive Directors	☐	☐	☐

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017