



FLUENCE CORPORATION LIMITED (ACN 127 734 196)

NOTICE OF ANNUAL GENERAL MEETING

TIME: 4.00pm (AEST)

DATE: Thursday 24 May 2018

PLACE: Hall & Wilcox
Level 11, Rialto South Tower
525 Collins Street
Melbourne, Victoria
Australia

This Notice of Annual General Meeting (together with the accompanying Explanatory Memorandum) should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Annual General Meeting, please do not hesitate to contact the Company at rkennedy@fluencecorp.com or Ross Kennedy on +61 409 524 442.



24 April 2017

Dear Shareholder

On behalf of the Board, we are pleased to present the Fluence Corporation Limited Annual Report and Notice of Meeting for the year ended 31 December 2017. This was a transformational year with Emefcy Group Limited acquiring RWL Water LLC on 14 July 2017 to form Fluence Corporation Limited (**Fluence**).

As a fully integrated global decentralized water and wastewater treatment solutions provider with over 7,000 references in more than 70 countries around the world, Fluence has operations in North America, South America, Europe, Middle East and China, centred on three key product-based water / wastewater treatment solutions:

- MABR
- Nirobox
- Anaerobic Digestion

In addition, Fluence has recently achieved financial close on the San Quintin water desalination project in Mexico, which will be the Company's first Build Own Operate project and a major source of recurring revenue once the plant is commissioned.

Global consultancy Frost and Sullivan recently awarded Fluence Corporation "2018 Global Decentralized Water and Wastewater Treatment Company of the Year", noting in their award dissertation:

"Water is a fundamental part of life on earth; not only does it sustain people, but it also plays an essential role in sanitation, agriculture, and industrial processes. Without a sufficient water supply, communities suffer severe hardships including malnutrition, sickness, and even death. The swelling of the world's population is making water even scarcer and challenges communities to come up with quick and viable solutions to overcome the water scarcity problem..."

Fluence Corporation leverages innovative and smart technology solutions backed by decades of industrial know-how to excel in water and wastewater treatment solutions."

Board, Governance and Management

The Board is committed to ensuring that our business is conducted in accordance with high standards of corporate governance. Through the acquisition of RWL Water LLC, Dr Ramesh Rengarajan and Henry Charrabé were appointed to the Board, followed soon thereafter by Arnon Goldfarb.

Mr Robert Wale, appointed a Non-Executive Director in April 2016 has advised that he will be retiring at this year's AGM and on behalf of the Board I express our appreciation for his services as

Director, and offer to provide on-going consultancy services if required. Recent senior executive appointments include Francesco Fragasso, Chief Financial Officer and Erik Arfalk, Chief Marketing Officer.

The following 12 months will continue to see Fluence build and geographically diversify its revenues from water and wastewater treatment solutions.

We look forward to meeting as many shareholders as practicable at the AGM.

Yours sincerely



Richard Irving
Executive Chairman
Fluence Corporation Limited

**NOTICE OF ANNUAL GENERAL MEETING
FLUENCE CORPORATION LIMITED (ACN 127 734 196)**

Notice is hereby given that the 2018 Annual General Meeting (**Meeting** or **AGM**) of Fluence Corporation Limited (ACN 127 734 196) (**Company**) will be held at 4.00pm (AEST) on Thursday 24 May 2018 at the offices of Hall & Wilcox, Level 11 Rialto South Tower, 525 Collins Street, Melbourne, Victoria, Australia.

Each of the resolutions proposed to be put to Shareholders at the Meeting are set out in this Notice of Annual General Meeting (**Notice**) and further details regarding those resolutions are set out in the Explanatory Memorandum (**Explanatory Memorandum**) accompanying this Notice. The Explanatory Memorandum and Proxy Form accompanying this Notice are incorporated into, and form part of, this Notice. Terms defined in the Glossary at the end of the Explanatory Memorandum have the same meanings when used in this Notice.

At the AGM, the following matters will be considered.

ITEM 1: FINANCIAL REPORTS

To receive and consider the Financial Report of the Company and the reports of the Directors and Auditor for the financial year ended 31 December 2017.

ITEM 2: PROPOSED RESOLUTIONS

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

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

“That the Remuneration Report for the financial year ended 31 December 2017 as set out in pages 13 to 41 (inclusive) of the Annual Report be adopted.”

Note: The voting on this resolution is advisory only and does not bind the Company or the Directors. Also, a voting exclusion statement applies to this resolution. Please see the “Important Information” section below for further details.

RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR PETER MARKS

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

“That Mr Peter Marks, being a Director of the Company who retires in accordance with the Constitution of the Company and being eligible, is re-elected as a Director of the Company.”

RESOLUTION 3: RE-ELECTION OF MR ARNON GOLDFARB AS A DIRECTOR AND ISSUE OF OPTIONS

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

- (a) *“That Mr Arnon Goldfarb, being a director who was appointed by the directors on 19 September 2017 in accordance with clause 4.2(a)(ii) of the Constitution of the Company and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company, and, being eligible, offers himself for re-election, be re-elected as a director of the Company.”*
- (b) *“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,500,000 Options to Mr Arnon Goldfarb to subscribe for Shares on the terms and conditions set out in the Explanatory Memorandum.”*

Note: A voting exclusion statement applies to Resolution 3(b). Please see the “Important Information” section below for further details.

RESOLUTIONS 4A and 4B: REFRESHMENT OF PLACEMENT CAPACITY THROUGH RATIFICATION OF PREVIOUS ISSUES OF SHARES

RESOLUTION 4A: RATIFICATION AND APPROVAL OF PREVIOUS ISSUE OF ARGENTINA CONSIDERATION SHARES

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

“That, for the purposes of ASX Listing Rule 7.4, Shareholders ratify and approve the previous issue, which was made in reliance on ASX Listing Rule 7.1, of 6,245,264 Shares on 14 July 2017 to the then minority shareholders of Unitek, S.A, as described in the Explanatory Memorandum accompanying this Notice of Meeting.”

RESOLUTION 4B: RATIFICATION AND APPROVAL OF PREVIOUS ISSUE OF SHARES

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

“That, for the purposes of ASX Listing Rule 7.4, Shareholders ratify and approve the previous issue, which was made in reliance on ASX Listing Rule 7.1A, of 16,309,001 Shares on 14 August 2017 under a placement to institutional and sophisticated investors at an issue price of \$0.85 per Share, in which the Company raised a total of \$13,862,650, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Note: A voting exclusion statement applies to these resolutions. Please see the “Important Information” section below for further details.

RESOLUTION 5: APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

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

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of

the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A and on the terms and conditions set out in the Explanatory Memorandum.”

Note: This is a special resolution and for it to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of Shares) must be in favour of the resolution. Also, a voting exclusion statement applies to this resolution. Please see the “Important Information” section below for further details.

Dated: 24 April 2018

By Order of the Board of Directors

A handwritten signature in blue ink, appearing to read 'Ross Kennedy', is written over a light blue rectangular background.

Ross Kennedy
Company Secretary & Advisor to the Board

IMPORTANT INFORMATION

VOTING EXCLUSION STATEMENT

Resolution 1: Adoption of Remuneration Report

The Company will disregard any votes cast (in any capacity) on this resolution by or on behalf of a member of the Company's key management personnel (**KMP**), whose remuneration details are included in the Remuneration Report, or any of their Closely Related Parties. However, the Company need not disregard a vote on this resolution if it is cast as a proxy for a person who is entitled to vote on the resolution in accordance with a direction on the Proxy Form, or it is cast by the Chairman of the Meeting as a proxy for a person who is entitled to vote and the appointment of the Chairman as proxy does not specify the way the proxy is to vote and expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Resolution 3(b): Issue of Options to Mr Arnon Goldfarb as a Director

The Company will disregard any votes cast on this Resolution by Mr Arnon Goldfarb and any of his Associates. However, the Company need not disregard a vote if 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 it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolutions 4A and 4B: Refreshment of Placement Capacity through Ratification of Previous Issues of Shares

The Company will disregard any votes cast on the relevant resolution by a person who participated in the issue covered by that resolution and an Associate of that person (or those persons). However, the Company

need not disregard a vote if 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 it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5: Approval of Additional 10% Placement Capacity

The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any Associates of such persons. However, the Company need not disregard a vote on this resolution if 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 it is cast by the Chairman 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.

PROXY INSTRUCTIONS

A Shareholder who is entitled to vote at the Meeting may appoint:

- One (1) proxy if the Shareholder is only entitled to one (1) vote; and
- one (1) or two (2) proxies if the Shareholder is entitled to more than one (1) vote.

Where more than one (1) proxy is appointed, each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes (in which case any fraction of votes will be disregarded).

A Proxy Form is attached to this Notice.

Completed Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) must be received by the Company's share registry, Boardroom Pty Limited, no less than 48 hours before the time of commencement of the Meeting by the means outlined below.

The Proxy Form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a body corporate, in accordance with Section 127 of the Corporations Act. A proxy given by a foreign body corporate must be executed in accordance with the laws of that body corporate's place of incorporation.

The proxy may, but need not, be a Shareholder of the Company.

If you sign the Proxy Form and do not appoint a proxy, you will have appointed the Chairman of the Meeting as your proxy.

Completed Proxy Forms may be lodged using the enclosed reply-paid envelope or:

Online https://www.votingonline.com.au/fluence_agm2018

By Fax +61 2 9290 9655

By Mail Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

In Person Level 12, 225 George Street,
Sydney NSW 2000 Australia

Completed Proxy Forms (and any necessary supporting documents) must be received by Boardroom Pty Limited no later than 4.00pm (AEST) on Tuesday 22 May 2018. Proxy Forms received after that time will not be valid.

Further instructions on completing and lodging the Proxy Form are set out in the attached Proxy Form.

HOW THE CHAIRMAN WILL VOTE UNDIRECTED PROXIES

Subject to any restrictions set out in this Notice or the Proxy Form, the Chairman of the meeting intends to vote all undirected proxies in favour of all resolutions.

If you appoint the Chairman of the Meeting (or the Chairman is taken to be appointed) as your proxy and you do not direct the Chairman how to vote on a resolution, then by completing and returning the Proxy Form, you expressly authorise the Chairman to exercise the proxy even though a resolution is connected directly or indirectly with the remuneration of a member of the KMP and to vote in accordance with his stated intention to vote in favour of all resolutions.

If you have appointed the Chairman of the Meeting (or the Chairman is taken to be appointed) as your proxy and you direct the Chairman how to vote on a resolution by marking either "for", "against" or "abstain" for a resolution, then your vote will be cast in accordance with your direction.

CORPORATE REPRESENTATIVES AND ATTORNEYS

A Shareholder, or proxy, that is a body corporate and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative. Evidence of the appointment of a corporate representative must be in accordance with Section 250D of the Corporations Act and be lodged with the Company.

A Shareholder entitled to attend and vote at the Meeting may appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf. The power of attorney appointing the attorney must be duly signed and specify the name of each of the Shareholder, the Company and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

A corporate representative or an attorney may, but need not, be a Shareholder of the Company.

Corporate representatives should bring to the Meeting appropriate evidence of appointment as a representative in accordance with the constitution of the Company. Attorneys are requested to bring to the Meeting the original or a certified copy of the power of attorney pursuant to which they were appointed. Proof of identity will also be required for corporate representatives and attorneys.

VOTING ENTITLEMENT

For the purposes of the Meeting, the Directors have determined that pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), Shares will be taken to be held by the persons who are the registered holders at 7.00 pm (AEST) on 22 May 2018. Accordingly, any Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

On a poll, Shareholders have one (1) vote for every Share held. Holders of options are not entitled to vote.

**EXPLANATORY MEMORANDUM
FLUENCE CORPORATION LIMITED (ACN 127 734 196)**

This Explanatory Memorandum accompanies and forms part of the Notice of Annual General Meeting (**Notice**) issued to convene the 2018 Annual General Meeting (**Meeting**) of the Shareholders of Fluence Corporation Limited (**Company**) to be held at 4.00pm (AEST) on 24 May 2018 at the offices of Hall & Wilcox, Level 11 Rialto South Tower, 525 Collins Street, Melbourne, Victoria, Australia.

ITEM 1: FINANCIAL REPORTS

The Corporations Act requires the Financial Report and the reports of the Directors and Auditor for the financial year ended 31 December 2017 to be laid before the Meeting.

The Company's 2017 Annual Report (which includes the Financial Report, Directors' Report and Auditor's Report) is available on the Company's website at <https://www.fluencecorp.com/investor-news/>.

A copy of the Annual Report has also been sent to each Shareholder (other than those Shareholders who have previously elected not to receive the Annual Report, whether in paper form or electronically). Any Shareholder who has made this election and now wishes to receive a paper or electronic copy of the Annual Report should contact the Company to arrange receipt.

Neither the Corporations Act nor the Constitution of the Company requires a vote of Shareholders on these reports. However, Shareholders as a whole will be given a reasonable opportunity at the AGM to ask questions about, or make comments on, these reports and the business and management of the Company.

In addition, a Shareholder who is entitled to cast a vote at the Meeting may submit a written question to the Auditor if the question is relevant to

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit of the Financial Report,

by giving the question to the Company by no later than 17 May 2018 (being the 5th business day before the day on which the Meeting is to be held). The Company will pass the questions on to the Auditor, and the Auditor will prepare a list of questions that the Auditor considers relevant to the matters outlined above, which will be made available to Shareholders at the Meeting.

ITEM 2: PROPOSED RESOLUTIONS

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report for the financial year ended 31 December 2017 forms part of the Directors' Report and is set out in pages 13 to 41 (inclusive) of the Annual Report, which is available at <https://www.fluencecorp.com/investor-news/>.

The Remuneration Report includes:

- (a) a discussion of the Board's policy for determining the nature and amount of remuneration of the Company's Key Management Personnel;
- (b) a discussion of the relationship between such Board policy and the Company's performance;
- (c) details of any performance conditions associated with the remuneration of Key Management Personnel, including why they were chosen and how performance is measured against them; and
- (d) the remuneration details for each of the Company's Key Management Personnel, including the value of any options and performance rights granted to such person.

Section 250R(2) of the Corporations Act requires the Company to put a resolution to the Shareholders at the AGM for the adoption of the Remuneration Report. The vote on this resolution is advisory only and will not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration practices and policies.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments on, the Remuneration Report.

Also, Shareholders should note that under the Board spill provisions contained in the Corporations Act (known generally as the "two strikes rule"), if 25% or more of the votes cast on this resolution are against the adoption of the 2017 Remuneration Report, this will be considered the "first strike". While this would not impact this AGM, if a "second strike" is cast against the 2018 Remuneration Report at next year's annual general meeting, this will trigger a vote on a resolution to spill the Board, and all Directors who were in office at the date of that meeting (other than the Managing Director) must stand for re-election.

Board Recommendation

The Board recommends that Shareholders vote in favour of this resolution.

RESOLUTION 2: RE-ELECTION OF MR PETER MARKS

Clause 4.3(c)(i) of the Constitution provides that one third (1/3) of the directors for the time being must retire at each annual general meeting. Under Clause 4.3(c)(ii) of the Constitution, the Directors who must retire in accordance with this rule are the Directors (other than the Managing Director) who have been longest in office since their election.

As at the date of this Notice, the Board is comprised of six (6) Directors and the Managing Director. Each of Mr Peter Marks and Mr Robert Wale were elected as a Director by the Shareholders at the Annual General Meeting held on 18 May 2016. Of the six (6) Directors, Mr Marks and Mr Wale have held office for the longest period since last being re-elected. Accordingly, each of Mr Marks and Mr Wale will retire by rotation at the AGM. Mr Wale has advised the Company, however, that he will not offer himself for re-election as a Director.

Mr Marks retires and, being eligible, offers himself for re-election as a Director.

Mr Marks holds a Bachelor of Economic degree, a Bachelor of Laws degree and a Graduate Diploma in Commercial Law from Monash University, Melbourne, Australia, and an MBA from the University of Edinburgh.

Mr Marks serves as Non-Executive Director for Fluence Corporation. Mr Marks has over 30 years of experience in corporate finance and investment banking, specializing in capital raisings (for listed and unlisted companies), underwriting, IPOs, corporate restructurings, and venture capital transactions with a focus on emerging technologies and life sciences. Furthermore, he has been involved in over \$3 billion of public and private capital raisings and has served as an Executive and Non-Executive Director of many entities which have been listed on the ASX, NASDAQ and AIM markets.

Mr Marks is Chair of the Audit & Risk Committee and a member of the Remuneration & Nomination Committee.

Board Recommendation

The Board (other than Mr Marks, who is the subject of this resolution) recommends that Shareholders vote in favour of this resolution.

RESOLUTION 3: RE-ELECTION OF MR ARNON GOLDFARB AS A DIRECTOR AND ISSUE OF OPTIONS

(a) RESOLUTION 3(a): Re-election of Mr Arnon Goldfarb as a Director

Clause 4.2(a) of the Constitution provides that the Directors may appoint a person as a Director and a Director so appointed must retire from office at the conclusion of the next annual general meeting following his or her appointment. Pursuant to the Constitution, a Director retiring from office under clause 4.2(a)(ii) is eligible for re-election and may by resolution of the Company be re-elected.

The Board appointed Mr Goldfarb as a Director on 19 September 2017. In accordance with the Company's Constitution, Mr Goldfarb will retire from office and, being eligible, offers himself for re-election as a Director.

Arnon Goldfarb serves as Non-Executive Director for Fluence Corporation. Currently he is a limited partner at Israel Cleantech Ventures and has significant entrepreneurial experience and interests in chemistry, materials and industrial processes.

Until early 2011, Mr Goldfarb served as CEO of TMB Water, a water project company active in desalination, aquaculture and water treatment efforts in Israel and abroad, and the predecessor to RWL Water. Prior to establishing TMB in 2001, Mr Goldfarb spent 17 years with Israel Chemicals Ltd., where he served as Corporate VP for Business Development and Chairman of the R&D, Fertilizers and Chemicals, and Ceramics units. He was also a director at ICL's Israel Desalination Engineering (IDE) subsidiary as well as its potash, phosphate and bromine subsidiaries.

Previously, Mr Goldfarb worked in the oil and gas industry in Israel and the US as a production and facilities engineer with Superior Oil and Israel National Oil Co., and as a production and field manager for Israel's Sadot natural gas field. Mr Goldfarb serves as Chairman of Atlantium Technologies, as well as on the boards of TGA, a waste treatment facility, and TSP, a chemical company. Mr Goldfarb holds a Bachelor of Science in chemistry from Hebrew University, Jerusalem, and a Master of Science in Ocean Engineering from University of Rhode Island, USA.

RESOLUTION 3(b): Approval for issue of Options to Mr Arnon Goldfarb

Resolution 3(b) is proposed to seek shareholder approval for the issue to Mr Arnon Goldfarb of an aggregate of 1,500,000 Options to acquire Shares. The Options are proposed to be issued as part of the remuneration package of Mr Goldfarb.

750,000 of the Options will have an exercise price of \$1.20 and an expiry date of four (4) years from the date of issue, with the other 750,000 Options having an exercise price of \$1.50 and an expiry date of four (4) years from the date of the issue. The terms of these Options (including the exercise prices) are the same as the terms of the Options issued to other non-executive Directors whose issues were approved at the extraordinary general meeting of Shareholders held on 12 July 2017.

ASX Listing Rule 10.11 requires a company to obtain shareholder approval by ordinary resolution prior to the issue of equity securities (e.g. shares or options) to a related party of the company. For the purposes of ASX Listing Rule 10.11, a related party includes a Director of the Company.

ASX Listing Rule 10.13 requires that the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.11 must include the following information:

- (i) Mr Goldfarb (or his nominee/s) will receive the Options the subject of Resolution 3(b).
- (ii) The maximum number of securities to be issued will be 1,500,000 Options, having the terms set out in paragraph (v) below.
- (iii) The Company will issue the Options as soon as reasonably practicable after the Meeting.
- (iv) Mr Arnon Goldfarb is a proposed Director of the Company (his continued engagement being subject to the passing of Resolution 3(a)).
- (v) The Options issued under the approval sought through Resolution 3(b) will be 750,000 Options with an exercise price of \$1.20 cents and 750,000 Options with an exercise price of \$1.50 cents. Full terms of the Options are set out in Schedule 2.
- (vi) No funds will be raised through the issue of the Options.
- (vii) A voting exclusion statement applies to Resolution 3(b) on the terms set out in the Notice.

Board Recommendation

The Board (in respect of Resolution 3(b), other than Mr Goldfarb, whose Options are the subject of that resolution) recommends that Shareholders vote in favour of these resolutions.

RESOLUTIONS 4A and 4B: REFRESHMENT OF PLACEMENT CAPACITY THROUGH RATIFICATION AND APPROVAL OF PREVIOUS ISSUES OF SHARES

(a) RESOLUTION 4A: Ratification of Shares issued in reliance on ASX Listing Rule 7.1

On 26 May 2017, Fluence (then named Emefcy Group Limited) announced that it had entered into a sale and purchase agreement with RSL Investments Corporation (**RSL**) to acquire all of the LLC interests in RWL Water LLC (**RWL Water**). Unitek, S.A. is an Argentinian company that was not, at that time, wholly-owned by the RWL Water group of companies. RWL Water signed a stock purchase agreement with the then owners of 30% of the shares in Unitek, S.A. (**Argentina Minority Owners**). The consideration for the purchase by RWL Water of the Argentina Minority Owners' shares in Unitek, S.A. included the issue of 6,245,264 Shares in the Company (**Argentina Consideration Shares**).

ASX Listing Rule 7.1 imposes a restriction on the number of Equity Securities issued without shareholder approval during the 12-month period, if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12-month period (**15% Placement Capacity**). ASX Listing Rule 7.4 provides that an issue of Equity Securities can be treated as having been made with shareholder approval for the purposes of ASX Listing Rule 7.1 if the holders of ordinary securities subsequently approve it and the issue did not breach ASX Listing Rule 7.1 at the time of the issue.

The number of Equity Securities which are allowed to be issued without shareholder approval is calculated in the following formula under ASX Listing Rule 7.1 (**7.1 Formula**).

(A x B) - C

Where:

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- plus the number of shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of shares issued in the previous 12 months with approval of Shareholders under ASX Listing Rule 7.1 or 7.4; and
- less the number of shares cancelled in the previous 12 months.

B is 15%

C is the number of Equity Securities issued or agreed to be issued in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under ASX Listing Rule 7.1 or 7.4.

The passing of Resolution 4A will:

- (i) result in 6,245,264 Argentina Consideration Shares being included in **A** in the 7.1 Formula (as well as in the equivalent formula under ASX Listing Rule 7.1A); and
- (ii) refresh the Company's 15% Placement Capacity under ASX Listing Rule 7.1 in respect of that number of Shares, by enabling the Company going forward, in reliance on ASX Listing Rule 7.1, to issue 6,245,264 additional Equity Securities without Shareholder approval.

Ratification will provide the Company with flexibility in capital management and allows the Company to make further issues of Shares for working capital or other purposes as required.

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Argentina Consideration Shares that were issued under the 15% Placement Capacity:

- (i) **the number of Argentina Consideration Shares issued:** 6,245,264.
 - (ii) **the price at which the Argentina Consideration Shares were issued:** the consideration provided for the Argentina Consideration Shares was shares in Unitek, S.A, having an agreed value of US\$4,018,000.
 - (iii) **the terms of the Shares that were issued:** the Argentina Consideration Shares rank equally with existing Shares.
 - (iv) **the names of the allottees or the basis on which allottees of the Shares were determined:** the Argentina Consideration Shares were issued to the Argentina Minority Owners, being the previous owners of 30% of the shares in Unitek, S.A.
 - (v) **the use (or intended use) of the funds raised:** no funds were received, as the Argentina Consideration Shares were consideration for the acquisition of 30% of the shares in Unitek, S.A.
- (b) **RESOLUTION 4B: Ratification of Shares issued in July 2017 in reliance on ASX Listing Rule 7.1A**

In addition to the 15% Placement Capacity, an eligible entity can seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital without shareholder approval (**10% Placement Capacity**). The Company obtained such Shareholder approval at the last annual general meeting on 5 May 2017.

On 14 August 2017, the Company issued a total of 16,309,001 Shares through a placement to institutional and sophisticated investors under its 10% Placement Capacity.

In order to have these Shares be treated as if they had been issued with Shareholder approval for purposes of calculating the 10% Placement Capacity, Shareholders are asked to ratify and approve the issue of these Private Placement Shares for the purposes of ASX Listing Rule 7.4.

Similar to the ratification allowed for the 15% Placement Capacity, under ASX Listing Rule 7.4, an issue of Equity Securities made under ASX Listing Rule 7.1A without prior shareholder approval can be treated as having been made with that approval if shareholders subsequently approve it.

The passing of Resolution 4B will result in 16,309,001 Shares being included in "A" in the 7.1 Formula (as well as in the equivalent formula under ASX Listing Rule 7.1A), and so would increase the denominator when the number of Shares available under the 15% Placement Capacity and under the 10% Placement Capacity is calculated. This will enable the Company to maximise the number of Equity Securities that can be issued up to 14 August 2018 without further approval from the Shareholders, thereby giving the Company greater speed and flexibility in issuing further Equity Securities.

In accordance with ASX Listing Rules 7.5 and 3.10.5A, the Company provides the following information in relation to these Private Placement Shares:

- (i) **the number of Private Placement Shares issued:** 16,309,001 Shares.
- (ii) **the price at which the Shares were issued:** A\$0.85 per Share.
- (iii) **the terms of the Shares that were issued:** the Private Placement Shares rank equally with existing Shares.
- (iv) **the names of the allottees or the basis on which allottees of the Shares were determined:** the Shares were issued to professional and sophisticated investors who participated in the institutional placement, as announced to ASX on 8 August 2017.
- (v) **the use (or intended use) of the funds raised:** the funds were or are to be used to satisfy several of the Company's stated objectives, including:
 - (A) a steady transformation of the Company's share register towards a more global investor base;
 - (B) attracting high-quality US-based funds in anticipation of a future potential listing on a US stock exchange;
 - (C) contribute to funding the Company's ongoing operational and global strategic needs; and
 - (D) providing working capital and additional flexibility to fund further growth opportunities.

Board Recommendation

The Board recommends that Shareholders vote in favour of these resolutions.

RESOLUTION 5: APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

(a) Additional 10% Placement Capacity under ASX Listing Rule 7.1A

The Company is seeking Shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Capacity. As noted above, the Company obtained Shareholder approval of its 10% Placement Capacity at its last annual general meeting on 5 May 2017. The approval of this placement capacity will expire, however, on 4 May 2018 (or 12 months after that Shareholder approval was obtained). Accordingly, the Company is proposing to have Shareholders approve a new 10% Placement Capacity.

An “eligible entity” for the purposes of ASX 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. Although the Company has been included in the S&P All Ordinaries Index, it has not yet become part of the S&P / ASX 300 Index. As a result, as at the date of this Notice, the Company is an eligible entity.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one (1) class of quoted Equity Securities on issue, being the Shares.

If Shareholders approve this resolution, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the following formula prescribed in ASX Listing Rule 7.1A.2:

(A x D) - E

Where:

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

- plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the previous 12 months;
- plus the number of Shares issued in the previous 12 months with approval of Shareholders under ASX Listing Rule 7.1 or 7.4. This does not include an issue of Shares under the Company’s 15% placement capacity without subsequent Shareholder approval; and
- less the number of Shares cancelled in the previous 12 months.

D is 10%.

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

(b) **Specific Information required by ASX Listing Rule 7.3A**

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this resolution.

Minimum price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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 5 ASX trading days of that date, the date on which the Equity Securities are issued.

Risk of dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the voting interests of Shareholders who do not receive Equity Securities under the issue and may also dilute their economic interests (for example, if the issue of the Equity Securities is at a discount to the market price of the Equity Securities or results in the decrease of the market price of the Equity Securities).

The table below seeks to demonstrate the potential dilution of existing Shareholders resulting from the issue of Equity Securities under the 10% Placement Capacity calculated in accordance with the formula contained in ASX Listing Rule 7.1A.2. The table does this by setting out the potential number of Shares issued and funds raised on the basis of the current number of Shares on issue as at the date of this Notice. The table assumes that the class of Equity Securities that will be issued will be Shares, as that is currently the Company's only class of quoted Equity Securities. The table also assumes a placement of 10% occurs and shows examples where:

- (i) the number of Shares on issue (variable 'A' in the formula) increases by 50% and 100%; and
- (ii) the issue price increases and decreases by 50% against the current market price.

Number of Shares on issue (variable 'A' in formula)	Dilution Variable	Dilution		
		\$0.235 (50% decrease in current issue price)	\$0.470 (Current issue price)	\$0.705 (50% increase in current issue price)
variable 'A' - 392,713,902 Shares	Additional 10% Shares issued	39,271,391 Shares	39,271,391 Shares	39,271,391 Shares
	Funds raised	\$9,228,776.89	\$18,457,553.77	\$27,686,330.66
50% increase in variable 'A' - 589,070,853 Shares	Additional 10% Shares issued	58,907,085 Shares	58,907,085 Shares	58,907,085 Shares
	Funds raised	\$13,843,164.98	\$27,686,329.95	\$41,529,494.93

100% increase in variable 'A' - 785,427,804 Shares	Additional 10% Shares issued	78,542,780 Shares	78,542,780 Shares	78,542,780 Shares
	Funds raised	\$18,457,553.30	\$36,915,106.60	\$55,372,659.90

* The number of Shares on issue (variable 'A' in the formula) could increase as a result of the issue of Shares that does not require Shareholder approval (such as under a pro-rata rights issue) or an issue of Shares with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

- (iii) The current number of Shares on issue is the Shares on issue as at 17 April 2018;
- (iv) The current issue price is the closing price of the Shares on the ASX on 17 April 2018;
- (v) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity;
- (vi) The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1 or under an exception under ASX Listing Rule 7.2;
- (vii) The calculations above do not show the dilution that any one (1) particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own Shareholding depending on their specific circumstances;
- (viii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1; and
- (ix) Any fractions resulting from the calculations above have been rounded down.

Shareholders should note that there is a risk that:

- (i) the market price for the Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

Date of issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of this Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) or such longer period if allowed by ASX.

Purpose of issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for various purposes, including to assist the Company in the event of a future capital raising, in raising funds for carrying out its business objectives and in particular, to accelerate commercialisation of the Company's technology, to pursue business development or further growth opportunities, to accelerate product development activities and otherwise for general working capital purposes. In addition, from time to time, as part of its growth strategy, the Company considers acquiring various companies and businesses. In that context, the availability of the 10% Placement Capacity will give the Company the flexibility to fund the purchase price for an acquisition, or the working capital requirements of the acquired company or business, wholly or partly through the issue of Equity Securities.

The Directors do not intend at this stage to issue any of the Equity Securities for non-cash consideration, however in the event they are issued for non-cash consideration, the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 5 May 2017.

In accordance with ASX Listing Rule 7.3A.6, because the Company has previously obtained approval under ASX Listing Rule 7.1A, the Company is required to provide the following information to Shareholders:

- (i) the total number of Equity Securities issued by the Company in the 12 months preceding the date of the Meeting was 167,478,184 Equity

Securities, representing 61% of the total number of Equity Securities on issue (which was 274,594,000) at the commencement of that 12-month period; and

- (ii) details of all issues of Equity Securities by the Company during the 12 months preceding the Meeting are set out in Schedule 1.

Voting exclusion

A voting exclusion statement applies to this resolution on the terms set out in the “Important Information” section of the Notice of Annual General Meeting. At the date of this Notice, the Company has not invited any existing Shareholder to participate in the issue of the Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholder’s vote will be excluded under the voting exclusion in the Notice.

Board Recommendation

The Board recommends that Shareholders in vote in favour of this resolution.

GLOSSARY

AGM or Meeting	the Annual General Meeting of the Company to be held at 4.00pm (AEST) on 24 May 2018 at the offices of Hall & Wilcox, Level 11 Rialto South Tower, 525 Collins Street, Melbourne, Victoria, Australia
Annual Report	the Annual Report of the Company for the financial year ended 31 December 2017
ASIC	the Australian Securities and Investments Commission
Associate	has the meaning given to the term by Section 12 and 16 of the Corporations Act
ASX	ASX Limited (ACN 008 624 691)
ASX Listing Rules	the Listing Rules of ASX
Auditor	BDO East Coast Partnership (ABN 83 236 985 726)
Board	the board of Directors of the Company
Chairman	the Chairman of the Meeting
Closely Related Party	has the meaning given in Section 9 of the Corporations Act
Company or Fluence	Fluence Corporation Limited (ACN 127 734 196)
Constitution	the Company's constitution
Corporations Act	the <i>Corporations Act 2001</i> (Cth)
Director	a director of the Company
ESOP	the Employee Share Option Plan which (as amended) was approved by the Shareholders at the general meeting of the Company held on 12 July 2017, as further amended from time to time
Equity Security	has the meaning given in the ASX Listing Rules
Explanatory Memorandum	the Explanatory Memorandum accompanying and forming part of the Notice
Key Management Personnel or KMP	the key management personnel of the Company named in the Remuneration Report, including the Directors
Notice or Notice of Annual General Meeting	this Notice of Annual General Meeting and the Explanatory Memorandum and Proxy Form
Option	an option to acquire a Share
Private Placement Shares	a total of 16,309,001 Shares issued on 14 August 2017 under a private placement to institutional and sophisticated investors at an issue price of \$0.85 per Share, which raised a total of \$13,862,650
Proxy Form	the Proxy Form accompanying and forming part of the Notice
Remuneration Report	the Remuneration Report for the financial year ended 31 December 2017 as set out in pages 13 to 41 (inclusive) of the Annual Report

Share Exchange and Purchase Agreement	The Share Exchange and Purchase Agreement, dated as of October 1, 2015, between the Company (which was then named Savcor Group Limited), Emefcy Ltd and the (then) shareholders of Emefcy Ltd
Share	a fully paid ordinary share in the capital of the Company
Shareholder	a holder of a Share

SCHEDULE 1
ISSUES OF EQUITY SECURITIES SINCE THE 2017 7.1A APPROVAL

Date of Appendix 3B	Number of equity securities issued	Class of equity securities issued	Allottees	Issue price and Discount	Form of consideration
5 June 2017	11,191,336	Unlisted options	Issued as part of the remuneration of the director	Nil	Issued for no consideration
5 June 2017	1,500,000	Unlisted options	Issued under the ESOP	Nil	Issued for no consideration
5 June 2017	650,000	Fully paid ordinary shares	Exercise of unlisted options	\$0.15	\$97,500
5 June 2017	1,300,000	Fully paid ordinary shares	Exercise of unlisted options	\$0.64	\$832,000
15 June 2017	55,000	Fully paid ordinary shares	Exercise of unlisted options	\$0.70	\$38,500
21 June 2017	100,000	Fully paid ordinary shares	Exercise of unlisted options	\$0.64	\$64,000
17 July 2017	80,400,000	Fully paid ordinary shares	Issued as consideration for the LLC Interests in RWL Water LLC from RSL Investments Corporation		Issued as consideration under the sale and purchase agreement with RSL Investments Corporation
17 July 2017	30,537,848	Fully paid ordinary shares	Placement to RSL Investments Corporation as approved by shareholders on 12 July 2017	\$0.85	US\$20,000,000
17 July 2017	6,245,264	Fully paid ordinary shares	Issued as consideration for the acquisition of 30% of the shares in Unitek, S.A	Nil	Issued as consideration under the stock purchase agreement between the minority shareholders of Unitek, S.A and RWL
17 July 2017	8,700,000	Unlisted options	Issued as part of the remuneration of the directors	Nil	Issued for no consideration
17 July 2017	850,000	Unlisted options	Issued as part of the remuneration of the advisors	Nil	Issued for no consideration
21 July 2017	300,000	Unlisted options	Issued as part of the remuneration of the advisor	Nil	Issued for no consideration
2 August 2017	100,000	Unlisted options	Issued under the ESOP	Nil	Issued for no consideration
14 August 2017	16,309,001	Fully paid ordinary shares	Placement to institutional and sophisticated investors	\$0.85	\$13,862,650

Date of Appendix 3B	Number of equity securities issued	Class of equity securities issued	Allottees	Issue price and Discount	Form of consideration
14 September 2017	750,000	Unlisted options	Issued as part of the remuneration of the advisor	Nil	Issued for no consideration
25 September 2017	1,140,000	Unlisted options	Issued under the ESOP	Nil	Issued for no consideration
1 November 2017	60,000	Fully paid ordinary shares	Exercise of unlisted options	\$0.30	\$18,000
1 November 2017	60,000	Fully paid ordinary shares	Exercise of unlisted options	\$0.40	\$24,000
13 December 2017	11,190,528	Fully paid ordinary shares	Issued as a result of the satisfaction of the second commercial milestone, as part of the consideration to the vendors, in accordance with the acquisition terms approved by shareholders on 17 November 2015	Nil	Issued as consideration under the Share Exchange and Purchase Agreement
13 December 2017	2,500,000	Unlisted options	Issued as part of the remuneration of the advisor	Nil	Issued for no consideration
29 December 2017	7,320,499	Fully paid ordinary shares	Issued as a result of the satisfaction of the second commercial milestone, as part of the consideration to the vendors, in accordance with the acquisition terms approved by shareholders on 17 November 2015	Nil	Issued as consideration under the Share Exchange and Purchase Agreement
29 December 2017	4,604,000	Unlisted options	Issued under the ESOP	Nil	Issued for no consideration
10 January 2018	3,988,973	Fully paid ordinary shares	Issued as a result of the satisfaction of the second commercial milestone, as part of the consideration to the vendors, in accordance with the acquisition terms approved by shareholders on 17 November 2015	Nil	Issued as consideration under the Share Exchange and Purchase Agreement
25 January 2018	180,000	Unlisted options	Issued under the ESOP	Nil	Issued for no consideration
18 April 2018	1,475,000	Unlisted options	Issued under the ESOP	Nil	Issued for no consideration

SCHEDULE 2
TERMS OF OPTIONS (ARNON GOLDFARB)

PART A: TERMS APPLICABLE TO OPTIONS WITH A\$1.20 EXERCISE PRICE

- (a) The Options will expire at 5:00pm (AEST) on the date which is four (4) years after their issue date (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) The Options will vest two (2) years after the issue date, subject to Mr Goldfarb continuing to be engaged as a Director.
- (c) The amount payable upon exercise of each Option will be A\$1.20 (**Exercise Price**).

PART B: TERMS APPLICABLE TO OPTIONS WITH A\$1.50 EXERCISE PRICE

- (a) The Options will expire at 5:00pm (AEST) on the date which is four (4) years after their issue date (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) The Options will vest two (2) years after the issue date, subject to Mr Goldfarb continuing to be engaged as a Director.
- (c) The amount payable upon exercise of each Option will be A\$1.50 (**Exercise Price**).

PART C: COMMON TERMS TO BOTH CLASSES OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Option holder the right to subscribe for one (1) Share. To obtain the right given by each Option, the Option holder must exercise the Options in accordance with these terms and conditions or any other terms agreed with the Option holder.
- (b) The Options will vest upon the second (2nd) anniversary of the issue date provided that the recipient remains a Director of the Company (however the retirement of a recipient by rotation pursuant to the ASX Listing Rules of the Constitution of the Company will not prevent the future vesting of the Options provided the recipient is re-elected).
- (c) The Options may be exercised in whole or in part, and if exercised in part, multiples of 100,000 must be exercised on each occasion.

- (d) The Option holder may exercise his Options by lodging with the Company, before the Expiry Date:
- (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised or an election for a cashless exercise, (**Exercise Notice**).
- (e) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (f) Within ten (10) business days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (g) The Options are non-transferrable.
- (h) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (i) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX within ten (10) business days after the allotment of those Shares.
- (j) If at any time the Issued Capital of the Company is reconstructed, all rights of the Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) There are no participating rights or entitlements inherent in the Options and the Option holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) business days after the issue is announced. This will give the Option holder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- (l) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

- (m) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.