



**FLUENCE CORPORATION LIMITED**  
**ABN 52 127 734 196**

# **Notice of Annual General Meeting**

## **Explanatory Statement and Voting Form**

Date of Meeting:  
**Thursday, 27 May 2021 (AEST)**  
**(Wednesday, 26 May 2021 (US EDT))**

Time of Meeting:  
**9.00am (AEST)**  
**(7.00pm (US EDT))**

Place of Meeting:  
**Registered Office of Fluence Corporation Limited**  
**c/o Leydin Freyer Corporate**  
**Level 4, 96-100 Albert Road**  
**South Melbourne, Victoria**  
**Australia**

Should you wish to discuss the matters in this Notice of Annual General Meeting, please do not hesitate to contact Melanie Leydin, Company Secretary at [mleydin@fluencecorp.com](mailto:mleydin@fluencecorp.com) or +61 03 9692 7222.

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.  
If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor, or other professional advisor without delay.*



# FLUENCE CORPORATION LIMITED

ACN 127 734 196

Registered office: LEVEL 4, 96 – 100 ALBERT ROAD, SOUTH MELBOURNE, VIC 3205

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (**AGM** or **the Meeting**) of shareholders of Fluence Corporation Limited (**Company** or **FLC**) will be held at the registered office of the Company, c/o Leydin Freyer Corporate, Level 4, 96-100 Albert Road, South Melbourne, Victoria, Australia on Thursday, 27 May 2021 at 9:00am (AEST) (Australia) and for USA east coast based investors, Wednesday, 26 May 2021 at 7.00pm (EDT).

Shareholders wishing to attend the AGM in person may do so, subject to any COVID-19 regulations in effect at the time of the AGM. The health and safety of members and personnel, and other stakeholders, is the Company's highest priority and the Company is acutely aware of the current circumstances resulting from the global COVID-19 pandemic. While the COVID-19 situation remains volatile and uncertain, the Company encourages shareholders to cast their votes by submission of a direct vote or by appointment of a proxy and will conduct a poll on all of the resolutions using the direct votes and proxies filed prior to the Meeting.

Please note that, following amendments to the Company's Constitution, Shareholders may now vote at the AGM via direct voting, rather than voting via a proxy. A direct vote allows shareholders to vote on the items of business before the AGM. This means the shareholder does not then need to attend the AGM or appoint a proxy. To do this, shareholders should follow the instructions, including the "Direct Voting" instructions, in the Voting Form accompanying this Notice. Please note that a shareholder who has cast a direct vote may still attend and vote at the AGM. However, by doing so, the shareholder will automatically cancel their direct vote unless the shareholder instructs us not to cancel their direct vote.

Shareholders wishing to appoint a proxy, rather than using direct voting, should follow the instructions, including the "Appointment of Proxy" instructions, in the Voting Form.

Shareholders are strongly encouraged to submit their direct votes/proxies as early as possible and in any event prior to the cut-off for direct/proxy voting as set out in the Notice (48 hours before the start of the Meeting). To lodge your direct vote/proxy appointment, please follow the directions on your personalised Voting Form which is enclosed with this Notice.

Shareholders will also be able to attend the AGM via a webcast conference facility and will be able to submit written questions online during the webcast.

Shareholders wishing to access the webcast must register at the following address:

<https://s1.c-conf.com/diamondpass/10013675-LSO987.html>

using their full name, company (if applicable), city and shareholding registration number. Please note that registered participants will receive their dial in number upon registration.

The webcast link will be found at: <https://services.choruscall.com.au/webcast/fluence-210527.html>

Questions may be submitted prior to the meeting by email to [mleydin@fluencecorp.com](mailto:mleydin@fluencecorp.com). The Company will, at its discretion, address questions received before or after the Meeting. The Company will not respond to inappropriate or offensive questions.

Any shareholders who wish to attend the AGM in person should monitor the Company's website and ASX announcements for any updates about being able to attend the AGM. If, due to COVID-19 related matters or otherwise, it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the Meeting, the Company will make further information available through the ASX website at [asx.com.au](http://asx.com.au) (ASX: AGM) and on its website at <https://www.fluencecorp.com/investor-news/>.

## AGENDA

The Explanatory Statement and Voting Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement, and the Voting Form in their entirety.

### ORDINARY BUSINESS:

#### Receipt and Consideration of Financial Statements & Reports

To receive and consider the Financial Report of the Company, together with the Directors' Report and Auditor's Report as set out in the Company's Annual Report for the year ended 31 December 2020.

*Note: Except as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.*

#### Resolution 1 – Adoption of Remuneration Report

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

*“That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 31 December 2020 be adopted.”*

*A voting exclusion applies to this Resolution – see note 7.*

#### Resolution 2 – Re-election of Mr Ross Haghighat as a Director of the Company

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

*‘That Mr Ross Haghighat, being a Director who retires by rotation pursuant to the Company's Constitution and being eligible for re-election, be re-elected as a Director of the Company’.*

*A voting exclusion does not apply to this Resolution.*

#### Resolution 3 – Approval to Grant Options to Richard Irving (or his nominee)

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

*“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval be given to issue a total of 1,000,000 unlisted Director options to Mr Richard Irving (Chairman & Chief Executive Officer of the Company) or his nominee(s), in his role as Chairman of the Company, on the terms and conditions set out or described in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”*

*A voting exclusion applies to this Resolution – see note 7.*

#### Resolution 4 – Approval to Grant Options to Paul Donnelly (or his nominee)

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

*“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval be given to issue a total of 1,000,000 unlisted Director options to Mr Paul Donnelly (Independent Lead Director of the Company) or his nominee(s), on the terms and conditions set out or described in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”*

*A voting exclusion applies to this Resolution – see note 7.*

**Resolution 5 – Approval to Grant Options to Ross Haghighat (or his nominee)**

*“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval be given to issue a total of 1,000,000 unlisted Director options to Mr Ross Haghighat (Non-Executive Director of the Company) or his nominee(s), on the terms and conditions set out or described in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”*

*A voting exclusion applies to this resolution – see note 7 for further information.*

**Resolution 6 – Approval to Grant Options to Dr Rengarajan Ramesh (or his nominee)**

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

*“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval be given to issue a total of 1,000,000 unlisted options to Dr Rengarajan Ramesh (Non-Executive Director of the Company) or his nominee(s), on the terms and conditions set out or described in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”*

*A voting exclusion applies to this resolution – see note 7 for further information.*

**Resolution 7 – Approval to Grant Options to Richard Irving (or his nominee) as part of his CEO employment contract**

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

*“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, approval be given to issue a total of 1,500,000 unlisted options in the Company to Mr Richard Irving (Chief Executive Officer of the Company) or his nominee(s), in his role as Chief Executive Officer, on the terms and conditions set out or described in the Explanatory Statement which accompanied and formed part of the Notice of the Meeting.”*

*A voting exclusion applies to this resolution – see note 7 for further information.*

**Resolution 8: Ratification of Appointment of Auditor**

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

*“That, pursuant to Section 327B(1)(b) of the Corporations Act and for all other purposes, BDO Audit Pty Ltd (BDO Audit), having been nominated by a Shareholder and having given its consent in writing to act as auditor, be appointed as the auditor of the Company to hold office from the conclusion of this Annual General Meeting until it resigns or is removed from the office of auditor of the Company.”*

*A voting exclusion does not apply to this Resolution.*

**SPECIAL BUSINESS:**

**Resolution 9 – Approval of 10% Placement Capacity**

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

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the Company’s additional capacity to issue (at its discretion) Equity Securities up to 10% of the issued capital of*

*the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

*A voting exclusion does not apply to this Resolution.*

By the order of the Board

A handwritten signature in dark ink, appearing to read "Melanie Leydin".

**Melanie Leydin**  
Company Secretary  
21 April 2021

## Notes

### 1. Entire Notice:

The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.

### 2. Record Date:

The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7pm (AEST) on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

### 3. Direct Voting:

- a) A direct vote allows shareholders to vote on the items of business before the AGM. This means the shareholder does not then need to attend the AGM or appoint a proxy. To do this, shareholders should follow the "Direct Voting" instructions in the Voting Form accompanying this Notice. Please note that a shareholder who has cast a direct vote may still attend and vote at the AGM. However, by doing so, the shareholder will automatically cancel their direct vote unless the shareholder instructs the Company not to cancel their direct vote.
- b) To be effective, Voting Forms containing direct voting directions must be received by the Company's share registry Boardroom Pty Limited no later than 48 hours before the commencement of the Annual General Meeting, this is no later than Tuesday, 25 May 2021 at 9:00am (AEST) (and for USA based investors, Monday, 24 May 2021 at 7:00pm (EDT)). Any direct voting directions received after that time will not be valid for the scheduled meeting.

### 4. Proxies:

- (a) If a shareholder is unable to attend and vote at the AGM, and does not choose to use direct voting, they are entitled to appoint a proxy to attend the AGM and vote on their behalf.
- (b) Each shareholder has a right to appoint one or two proxies.
- (c) A proxy need not be a shareholder of the Company.
- (d) If a shareholder is a company, it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
- (e) Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion if number of votes each proxy is appointed to exercise.
- (f) If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes.
- (g) A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority.
- (h) To be effective, Voting Forms containing proxy appointments and directions must be received by the Company's share registry Boardroom Pty Limited no later than 48 hours before the commencement of the Annual General Meeting, this is no later than Tuesday, 25 May 2021 at 9:00am (AEST) (and for USA based investors, Monday, 24 May 2021 at 7:00pm (EDT)). Any proxy appointments received after that time will not be valid for the scheduled meeting.

### 5. Corporate Representative:

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. Any votes will still be required to be lodged by proxy. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

### 6. Chair's Voting Intentions:

Subject to the restrictions set out in Note 7 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

The Chair will call a poll on all proposed resolutions.

### 7. Voting Exclusion Statements:

#### Resolution 1 - Adoption of Remuneration Report

In accordance with Sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP Voter**), unless the KMP Voter is casting a vote on this resolution on behalf of a person who is not a KMP Voter (including as a proxy) and either:

- (a) the KMP Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP Voter is by the Chair of the meeting and the appointment of the Chair as proxy:

- i. does not specify the way the proxy is to vote on the resolution; and
- ii. 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 key management personnel for the Company or the consolidated entity.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate in their proxy voting instructions on their Voting Form the way the Chair must vote, in favour of Resolution 1. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

## **Resolution 2 - Re-election of Mr Ross Haghighat as a Director of the Company**

There is no voting exclusion on this Resolution.

## **Resolutions 3, 4, 5, 6 and 7 - Approval to Grant Options to Directors and CEO**

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of:

- (a) the person receiving the securities for the respective Resolutions and any other person who will obtain a material benefit as a result of the issue of the securities; and
- (b) an associate of the person/s referred to in the preceding paragraph (a).

However, this does not apply to a vote cast in favour of the resolution by:

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

Furthermore, a member of the Key Management Personnel, or a closely related party of a member of KMP, who has been appointed as a proxy must not vote any open proxy votes on any of Resolutions 3 to 7. However, a person described in the preceding sentence (a **Restricted Voter**) may vote on any of those Resolutions except a Resolution regarding the issuance of options to them, or as a proxy if:

- (a) The Restricted Voter's proxy appointment specifies how the proxy is to vote on the relevant Resolution(s); or
- (b) The Chairman is the Restricted Voter, and the proxy appointment does not specify the way the proxy is to vote on the Resolution(s) and expressly authorises the Chairman to exercise the proxy even though the Resolution(s) is or are connected directly or indirectly with the remuneration of a member of the KMP.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

## **Resolutions 8 - Ratification of Appointment of Auditor**

There is no voting exclusion on this resolution.

## **Special Resolution**

### **Resolution 9 - Approval of 10% Placement Capacity**

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this Resolution is not currently required by Listing Rule 7.3A.7.

## **8. Enquiries**

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 or mleydin@fluencecorp.com if they have any queries in respect of the matters set out in these documents.



## EXPLANATORY STATEMENT

### Purpose of Information

This Explanatory Statement (**Statement**) is included in and forms part of the Notice of Meeting. The purpose of this Statement is to provide Shareholders with information they may require in order to make an informed decision on the applicable Resolution.

If you are in doubt as to how to vote, you should seek advice from your accountant, solicitor, tax advisor or other professional adviser prior to voting. It is important that you read this Statement in its entirety for a detailed explanation of the applicable Resolution.

Defined terms used in this Notice have the meanings given to them in the Glossary at the end of this Notice.

The Notice incorporates, and should be read together, with this Statement.

### Receipt and Consideration of Accounts & Reports

A copy of the Company's Annual Report for the financial year ended 31 December 2020 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) may be obtained at <https://www.fluencecorp.com/investor-news/> or via the Company's announcement platform on ASX. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7245, and you may request that this occurs on a standing basis for future years.

Shareholders will have the opportunity to ask questions about, or make comments on, the 2020 Annual Report. The auditor will be invited to attend, to answer questions about the audit of the Company's 2020 Annual Financial Statements.

### Resolution 1: Adoption of Remuneration Report

#### **Background**

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2020 Audited Financial Report for the Year Ended 31 December 2020. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five percent (25%) or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a **spill resolution**) that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's 2020 Annual General Meeting, the votes cast against the Remuneration Report represented less than five percent (5%) of the total votes cast. Accordingly, even if twenty five percent (25%) or more of votes that are cast are voted against the adoption of the 2020 Remuneration Report, a spill resolution will not be required this year and could not be required, if necessary, until next year at the earliest.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting and when reviewing the Company's remuneration policies.



### ***Voting Exclusions***

A voting exclusion statement for this resolution is set out in Note 7 above.

### ***Board Recommendation***

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice), each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

## **Resolution 2: Re-election of Mr Ross Haghighat as a Director of the Company**

### ***Background***

In accordance with ASX Listing Rule 14.4 and Rule 4.3 of the Company's Constitution, Directors must retire after the third AGM since they were last elected. Further, in accordance with the Company's Constitution, one-third of the Directors (excluding the Managing Director), or if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors, must retire at each AGM. The Directors to retire by rotation at the AGM are those Directors who have been longest in office since their last election. If two or more persons became Directors on the same day, those to retire must be determined by lot unless they otherwise agree among themselves.

Mr Haghighat was appointed as a Non-Executive Director of the Company on 18 December 2015 and was last re-elected by shareholders at the AGM held in May 2019. By agreement, Mr Haghighat, being eligible, offers himself for re-election as a Director at this AGM.

Mr Haghighat has over 30 years of experience in the technology sector as founder or co-founder of half a dozen companies with a combined shareholder value exceeding US\$4.5B.

With over 20 years in operating and strategic roles and a decade in the investment arena, Mr Haghighat has helped to create a number of global enterprises in the private and public space in the US, China, Australia and Europe.

Mr Haghighat serves as Chairman for Triton Systems Group - a Global Investment and Product Venturing firm. He also serves as a Director at Chinook Therapeutics - a Phase 3 clinical stage biopharma (Nasdaq: KDNY), is an Independent Director at Citic Capital Acquisition Corporation (NYSE – CCAC) and serves as Chairman of FRX Polymers, a Pre-IPO ESG specialty additives firm with operations in the US, Europe, and China.

*Special Responsibilities:* Mr Haghighat is also Chair of the Company's Remuneration & Nomination Committee.

### ***Voting Exclusions***

There are no voting exclusions on this Resolution.

### ***Board Recommendation***

The Board, (with Mr Haghighat abstaining), recommends that shareholders vote in favour of the re-election of Mr Haghighat as a Director of the Company. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Haghighat's re-election.

## **Resolutions 3 to 6: Approvals to Grant Options to Directors of the Company**

### ***Background***

As announced on November 16, 2020 the Company is undertaking a significant strategic re-positioning to focus on four key business segments:

- MABR wastewater solutions in China and Southeast Asia;
- NIROBOX™ desalination solutions in the Middle East and Southeast Asia;
- Water as a service for commercial customers in the US and Caribbean; and
- The Ivory Coast water treatment project.

The proposed Director Options align the interests of Directors with the interests of Shareholders by providing an incentive to successfully complete the strategic re-positioning and achieve an increase in the share price.

The Director Options also provide a cash efficient mechanism to compensate Directors, noting that the base fee for Non-Executive Director remuneration was agreed by the Board to be reduced by 20% as of 1 November 2020, and the Directors have a significant commitment to attendance at Board and Committee meetings (up to 21 Board meetings and 14 Committee meetings during the year ended 31 December 2020).

The Company is seeking Shareholder approval under proposed Resolutions 3, 4, 5, and 6 for the cumulative grant of 4,000,000 unlisted Director options to the Directors listed below (or their nominee(s) (the **Director Options**) on the terms described below. The approvals for Resolutions 3, 4, 5, and 6 are being sought under Listing Rule 10.11. as the respective Director Options are proposed to be issued to directors of the Company, who are “related parties” of the Company.

### Terms of Options

The terms of the proposed Director Options are:

Proposed Resolution	Director Option Recipient	Position	Number of options
3	Mr Richard Irving (or nominee)	Chairman and CEO	1,000,000
4	Mr Paul Donnelly (or nominee)	Non-Executive Director	1,000,000
5	Mr Ross Haghighat (or nominee)	Non-Executive Director	1,000,000
6	Dr Rengarajan Ramesh (or nominee)	Non-Executive Director	1,000,000

Terms (applicable to all)	Option Recipient
Vesting Conditions	25% of each tranche of Director Options will vest on the anniversary of issuance each year over four years
Expiry	4 years from issue date plus 60 days
Exercise Price	Twenty-three AU cents (A\$0.23)

The Company has prepared an indicative fair value of the Director Options as summarised below. The values are indicative only based on assumptions relevant at the date of the calculation (9 April 2021). Different assumptions may be relevant at grant date which may alter the value of the Director Options for financial reporting purposes. The total remuneration packages for each of the above Directors would be increased by the total per Director set out in the following table, based on the assumptions. The final valuation amount will not be able to be calculated until the Director Options are issued.

Assessment	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Indicative Fair Value per Option	\$0.1089	\$0.1089	\$0.1089	\$0.1089

Option Recipient	Number of Options	Indicative Fair Value as at 9 April 2021			
		Tranche 1	Tranche 2	Tranche 3	Tranche 4
Mr Richard Irving (or nominee)	1,000,000	\$24,450	\$24,450	\$24,450	\$24,450
Mr Paul Donnelly (or nominee)	1,000,000	\$24,450	\$24,450	\$24,450	\$24,450
Mr Ross Haghighat (or nominee)	1,000,000	\$24,450	\$24,450	\$24,450	\$24,450
Dr Rengarajan Ramesh (or nominee)	1,000,000	\$24,450	\$24,450	\$24,450	\$24,450
<b>Total</b>	<b>4,000,000</b>	<b>\$109,800</b>	<b>\$109,800</b>	<b>\$109,800</b>	<b>\$109,800</b>

The Director Options were valued by the Company using the Hoadley Trading & Investment Tools Binomial Tree

valuation model, utilising the Cox, Ross & Rubinstein Binomial Tree. The assumptions used in the valuation model were as follows:

Options series Assumptions:	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Valuation date <sup>1</sup>	9 April 2021	9 April 2021	9 April 2021	9 April 2021
Spot price (9-Apr-2021)	\$0.24	\$0.24	\$0.24	\$0.24
Exercise price	\$0.23	\$0.23	\$0.23	\$0.23
Vesting date	1 year after issue	2 years after issue	3 years after issue	4 years after issue
Expiry date	8 April 2025	8 April 2025	8 April 2025	8 April 2025
Expected future volatility <sup>2</sup>	58.5%	58.5%	58.5%	58.5%
Risk free rate	0.37%	0.37%	0.37%	0.37%
Dividend yield	Nil	Nil	Nil	Nil
Vesting probability <sup>3</sup>	100%	100%	100%	100%

<sup>1</sup> Based on the issue date being the valuation date.

<sup>2</sup> Based on assessment of historical volatility over relevant trading periods, however historical volatility may not be a reasonable proxy for expected future volatility.

<sup>3</sup> Based on management's assessed probability that vesting conditions will be satisfied.

### Directors' Remuneration Packages and Interests

As at the date of this Notice of Meeting, the current total cash remuneration package of each of the Directors to whom (or to whose nominee(s)) Options would be issued if Resolutions 3-6 are passed are:

Name of the Director	Position	Remuneration Package Details
Mr Richard Irving	Chairman and CEO	US\$400,000 per annum
Mr Paul Donnelly	Non-Executive Director	AU\$121,600 per annum
Mr Ross Haghighat	Non-Executive Director	AU\$112,000 per annum
Dr Rengarajan Ramesh	Non-Executive Director	AU\$120,000 per annum

The above does not include value of the proposed Director Options, nor the value of previously issued Options.

As at the date of this Notice, the Directors who are proposed to receive the Director Options have the following direct and indirect interests in Shares and Options in the Company:

Director/Shareholder (and/or associate(s))	Current Holdings as at the date of this Notice of Meeting	
	Shares	Options
Mr Richard Irving	37,264,579	1,900,000
Mr Paul Donnelly	500,000	500,000
Mr Ross Haghighat	600,000	1,400,000
Dr Rengarajan Ramesh	Nil	1,500,000

The exercise of the Director Options proposed to be granted under Resolutions 3-6 (assuming no other exercise of options or issue of securities other than those proposed for Directors under Resolutions 3-6), would result in holdings for each Director and a dilution of all other Shareholders' holdings in the Company as follows:

Director/Shareholder (and/or associate(s))	Total Current Shareholdings		Shares issued if proposed options issued and exercised	Total Shareholdings if proposed options issued and exercised	
	Shares	%	# Shares	Shares	%
Mr Richard Irving	37,264,579	5.96%	1,000,000	38,264,579	6.08%
Mr Paul Donnelly	500,000	0.08%	1,000,000	1,500,000	0.24%
Mr Ross Haghighat	600,000	0.10%	1,000,000	1,600,000	0.25%
Dr Rengarajan Ramesh	Nil	-	1,000,000	1,000,000	0.16%
Other Shareholders	586,489,455	93.86%		586,489,455	93.26%
<b>Total Shares</b>	<b>624,854,034</b>	<b>100.00%</b>	<b>4,000,000</b>	<b>628,854,034</b>	<b>100.00%</b>

## **Overview of regulatory approval requirements**

The Board has formed the view that the issuances of Director Options to the above Directors (or their respective nominee(s)) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute “reasonable remuneration” in accordance with section 211 of the Corporations Act.

A “financial benefit” is defined in section 229 of the Corporations Act and includes granting an option to a related party.

Section 228 of the Corporations Act defines a “related party” for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)). Section 228(5) provides that an entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.

In reaching this view, the Board considers the proposed grant of Director Options aligns the interests of each of the above Directors with the interests of Shareholders. The grant of Director Options to each of the above Directors is a cost-effective form of remuneration when compared to the payment of cash consideration.

The Board believes that having regard to the Company's current cash position, and in order to compensate the above Directors in line with current market practices, Director Options provide an appropriate and meaningful remuneration component to the above Directors that is aligned with Shareholder interests. The proposed base levels of Director Options reflect the standardised contribution of each respective Director to the Company.

If Resolutions 3 to 6 are passed and the Director Options are issued, each of the Directors proposed to receive securities under these Resolutions (including direct and indirect interests) will have a relevant interest as set out in the table above.

### **ASX Listing Rule 10.11**

The Company is proposing to issue the Director Options to directors of the Company as noted above (the **Issues**).

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, or unless it obtains the approval of its shareholders/unitholders, a listed company must not issue or agree to issue equity securities to:

- 10.11.1: a related party;
- 10.11.2: a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company;
- 10.11.3: a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4: an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5: a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders.

Each of the Issues falls within Listing Rule 10.11.1 above, as each of the proposed recipients is a Director, and therefore a related party, of the Company and the Issues do not fall within any of the exceptions in Listing Rule 10.12. Each Issue therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolutions 3-6 each seek the required shareholder approval for the Issues under and for the purposes of Listing Rule 10.11.

If Resolutions 3-6 are passed, the Company will be able to proceed with the Issues and the relevant Directors (or their nominee(s)) will receive the numbers of Director Options set out in the table on page 8, with the increase in their remuneration set out in the table on page 9 and potential increase in their shareholdings as described on page 9.

If all or any of Resolutions 3-6 are not passed, the Company will not proceed with the Issue of the Director Options to the applicable Director(s), and the applicable Director(s) (or their nominee(s)) will not receive the Director Options or potential shareholdings as described on page 9.

The following information is given under ASX Listing Rule 10.13 in respect of the proposed issues of Director Options to each Director under Resolutions 3-6 (respectively):

- (a) the proposed recipients are Mr Richard Irving, Mr Ross Haghighat, Mr Paul Donnelly and Dr Rengarajan Ramesh each of whom is a Director of the Company, or their respective nominee(s) (each of which would be an associate of the respective Director);
- (b) each of the proposed recipients is a related party of the Company and their respective nominee(s), if applicable, would be an associate of a related party of the Company;
- (c) 1,000,000 Director Options are proposed to be issued to each of Mr Richard Irving, Mr Ross Haghighat, Mr Paul Donnelly and Dr Rengarajan Ramesh, being a total of 4,000,000 Options;
- (d) the Director Options to be issued are not fully paid ordinary securities and a summary of the material terms of the Director Options is included in Annexure 1;
- (e) the Director Options will be issued no later than one month after the date of the Meeting;
- (f) the Director Options will be issued for nil consideration;
- (g) the purpose of the issue is to provide a form of remuneration to the Directors which aligns their interest with those of the other Shareholders; and
- (h) the current total remuneration packages of each of Mr Richard Irving, Mr Ross Haghighat, Mr Paul Donnelly and Dr Rengarajan Ramesh are set out on page 9, above.

### ***Board Recommendation***

The Board (with the applicable Directors abstaining in relation to the relevant Resolution regarding their own proposed Options) recommends that shareholders vote in favour of Resolutions 3, 4, 5 and 6. The Chair will vote undirected proxies in favour of Resolutions 3, 4, 5 and 6.

### ***Voting Exclusions for Resolutions 3 to 6***

A voting exclusion statement is set out in Note 7 above.

## **Resolution 7 – Approval to Grant Options to Richard Irving (or his nominee) as part of his employment contract**

### ***Background***

Mr Irving was appointed CEO with effect on 13 November 2020, having previously been Non-Executive Chairman. Mr Irving's base remuneration for undertaking these responsibilities is US\$400,000. The recommendation of the Board (with Mr Irving abstaining) is to issue Director Options to Mr Irving in recognition of his increased responsibilities and significantly lower base salary (relative to his predecessor) for undertaking the CEO role.

In particular, the Company is seeking Shareholder approval for the grant of 1,500,000 Options to Mr Richard Irving (or his nominee) (**CEO Options**) on the terms as described below. The approval for Resolution 7 is being sought under Listing Rule 10.11 as the CEO Options are proposed to be issued to an individual who is also a director of the Company, and, as such, is a "related party" of the Company. The CEO Options shall be issued under and subject to the terms set out below.

## Terms of Options

The terms of the CEO Options are:

Term	Option Recipient
Exercise Conditions	<p>Mr Irving (or his nominee) shall not be entitled to exercise the options unless the applicable exercise conditions below have been satisfied or waived by the Board:</p> <ul style="list-style-type: none"> <li>To complete the Board-endorsed Fluence restructuring with respect to certain business units by 30 June 2021; and</li> <li>Achieving Board-endorsed 2021 market guidance (excluding any subsequent revisions) based on the Board approved 2021 budget and assessed on audit reviewed results.</li> </ul> <p>The determination of whether or not the exercise conditions have been satisfied will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and Mr Irving.</p> <p>In the event of an acquisition of the Company resulting in a change of control of more than 50%, all unvested CEO Options shall immediately vest.</p>
Expiry	5.00pm (AEST) 30 June 2022
Exercise Price	\$0.29 being a 10% premium to 5-day VWAP up to and including the close of the ASX on 13 November 2020.

The full terms of the CEO Options are set out in Annexure 2 of this Statement.

The Company has prepared an indicative fair value of the CEO Options as summarised below based on assumptions relevant at the date of the calculation, being 9 April 2021. Different assumptions may be relevant at grant date which may alter the value of the CEO Options for financial reporting purposes. The total remuneration package in the above table would be increased for Mr Richard Irving by the total set out in the following table, based on the assumptions. The final valuation amount will not be able to be calculated until the CEO Options are issued, at which time the relevant assumptions may also have changed.

Assessment	CEO Options
Indicative fair value per CEO Option	\$0.0915 (9.15 cents)
Number of CEO Options	1,500,000 Options
Total \$	\$108,000 <sup>1</sup>

<sup>1</sup> Assumes that all exercise conditions are met and all options vest – in the event that less than the full number of options vest, the value would be calculated as the total number of vested options multiplied by the indicative fair value per CEO Option.

The CEO Options were valued by the Company using the Hoadley Trading & Investment Tools Binomial Tree valuation model, utilising the Cox, Ross & Rubinstein Binomial Tree. The assumptions used in the valuation model were as follows:

Assumptions	CEO Options
Valuation date <sup>1</sup>	13 November 2020
Spot price (13-Nov-2020)	\$0.27 (27 cents)
Exercise price	\$0.29 (29 cents)
Vesting date	Refer "Exercise Conditions" in Terms of CEO Options table above
Expiry date	30-June-2022
Expected future volatility <sup>2</sup>	58.2%
Risk free rate	0.068%
Dividend yield	Nil

<sup>1</sup> Based on the assumption that the options are valued as at the date of agreement between the Company and Mr Irving to issue the CEO Options (subject to shareholder approval) and that the assumed issue date is that valuation date.

<sup>2</sup> Based on assessment of historical volatility over relevant trading periods, however historical volatility may not be a reasonable proxy for expected future volatility.



### **Director's Remuneration Packages and Interests**

As at the date of this Notice, the details (including the amount) of the current total remuneration package of Mr Irving to whom (or to whose nominee) the CEO Options would be issued if Resolution 7 is passed are:

Name	Nature	Remuneration Package Details
Mr Richard Irving	Chairman and Chief Executive Officer	US\$400,000 per annum

The above does not include the proposed CEO Options.

As at the date of this Notice, Mr Irving has the following direct and indirect interests in shares and Options in the Company:

Director/Shareholder (and/or associate(s))	Current Holdings as at the date of this Notice	
	Shares	Options
Mr Richard Irving	38,264,579	1,900,000

The exercise of the CEO Options proposed to be granted under Resolution 7 (assuming no other exercise of options or issue of securities other than those proposed for Mr Irving under Resolution 7), will result in holdings for Mr Irving and a dilution of all other Shareholders' holdings in the Company as follows:

Director/Shareholder (and/or associate(s))	Total Current Shareholdings		Shares issued if proposed options issued and exercised	Total Shareholdings if proposed options issued and exercised	
	Shares	%	# Shares	Shares	%
Mr Richard Irving	37,264,579	5.96%	1,500,000	38,764,579	6.16%
Other Shareholders	587,589,455	94.06%		587,589,455	93.44%
<b>Total Shares</b>	<b>624,854,034</b>	<b>100.00%</b>	<b>1,500,000</b>	<b>626,354,034</b>	<b>100.00%</b>

### **Overview of regulatory approval requirements**

The Board has formed the view that the issues of CEO Options to Mr Irving (or his respective nominee(s)) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act.

A "financial benefit" is defined in section 229 of the Corporations Act and includes granting an option to a related party.

Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)). Section 228(5) provides that an entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.

In reaching this view, the Board considers the proposed grant of CEO Options aligns the interests Mr Irving with the interests of Shareholders. The grant of CEO Options to Mr Irving is a cost-effective form of remuneration when compared to the payment of cash consideration.

The Board believes that having regard to the Company's current cash position, and in order to compensate Mr Irving in line with current market practices, the CEO Options provide an appropriate and meaningful remuneration component to Mr Irving that is aligned with Shareholder interests. The proposed base levels of CEO Options reflect the standardised contribution of Mr Irving to the Company.

If Resolution 7 is passed and the CEO Options are issued, Mr Irving is proposed to receive securities under this Resolution (including direct and indirect interests) and will have a relevant interest as set out in the table above.



## **ASX Listing Rule 10.11**

The Company is proposing to issue the CEO Options to Mr Irving as noted above (the **Issue**).

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, or the Company obtains the approval of its shareholders/unitholders, a listed company must not issue or agree to issue equity securities to:

- 10.11.1: a related party;
- 10.11.2: a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company;
- 10.11.3: a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4: an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5: a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders.

The Issue falls within Listing Rule 10.11.1 above, as the proposed recipient of the CEO Options is a director, and therefore a related party, of the Company and the Issue does not fall within any of the exceptions in Listing Rule 10.12. The Issue therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolution 7 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 10.11.

If Resolution 7 is passed, the Company will be able to proceed with the Issue and Mr Irving (or his nominee(s)) will receive the number of CEO Options set out in the table on page 12, with the nominal increase in his remuneration set out in the table on page 12 and potential increase in his shareholdings as described on page 13.

If Resolution 7 is not passed, the Company will not proceed with the Issue and Mr Irving (or his nominee(s)) will not receive the CEO Options. In such a circumstance Board may need to agree a higher cash compensation amount to retain Mr Irving in the CEO role.

The following information is given under ASX Listing Rule 10.13 in respect of the proposed issue of the CEO Options under this Resolution:

- (i) the proposed recipient is Mr Richard Irving, or his nominee(s);
- (ii) the proposed recipient is a related party of the Company and his nominee(s), if applicable, would be an associate of a related party of the Company;
- (iii) 1,500,000 CEO Options are proposed to be issued;
- (iv) the CEO Options to be issued are not fully paid ordinary securities and a summary of the material terms of the CEO Options is included in Annexure 2;
- (v) the CEO Options will be issued no later than one month after the date of the Meeting;
- (vi) the CEO Options will be issued for nil consideration;
- (vii) the purpose of the issue is to provide a form of remuneration to Mr Irving which aligns his interest with those of the other Shareholders; and
- (viii) the current total remuneration package of Mr Richard Irving is set out on page 13, above.

## **Board Recommendation**

The Board (with Mr Irving abstaining) recommends that shareholders vote in favour of Resolution 7. The Acting Chair will vote undirected proxies in favour of Resolution 7.

### ***Voting Exclusions for Resolution 7***

A voting exclusion statement is set out in Note 7 above.

### **Resolution 8: Ratification of Appointment of Auditor**

#### ***Background***

On 14 August 2020, in accordance with section 327C of the Corporations Act 2001, the Company appointed BDO Audit Pty Ltd (**BDO Audit**) as auditor of the Company following ASIC's consent to the resignation of the previous auditor of the Company, BDO East Coast Partnership (**BDO ECP**), in accordance with Section 329(5) of the Corporations Act 2001.

The change of auditor arose as a result of BDO ECP's internal restructuring whereby audits will now be conducted by BDO Audit, an authorised audit company, rather than BDO ECP.

Following the above appointment, and in accordance with section 327C(2) of the Corporations Act, BDO Audit holds office as auditor of the Company until this Annual General Meeting.

In accordance with section 327B(1)(b), the Company now seeks Shareholder approval for the ongoing appointment of BDO Audit as auditor of the Company and its controlled entities.

In accordance with section 328B of the Corporations Act 2001, notice in writing nominating BDO Audit as auditor has been given to the Company by a Shareholder. A copy of this notice is attached to this Notice of Meeting as Annexure 3.

The appointment of BDO Audit will be by vote of Shareholders as an ordinary resolution.

BDO Audit has provided to the Company, and has not withdrawn, its written consent to act as auditor of the Company, in accordance with section 328A(1) of the Corporations Act.

#### ***Board Recommendation***

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

#### ***Voting Exclusions***

There are no voting exclusions for this Resolution.

### **Resolution 9: Approval of 10% Placement Capacity**

#### ***Background***

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

For the purposes of Listing Rule 7.1A an entity is an eligible entity if it is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is not included in the S&P/ASX 300 Index and had a market capitalisation as at 7 April 2021 of approximately \$149.96 million and is therefore an eligible entity. The Company will need to remain compliant with the requirements of ASX Listing Rule 7.1A in order for the Company to utilise the additional capacity under the 10% Placement Capacity.

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. The effect of this resolution will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as described below) without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve this Resolution, the number of Equity Securities permitted to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below) and the Company will be able to issue Equity Securities from the 10% Placement Capacity, as noted below, without any further shareholder approval.

No Director or related party will participate in any issue under the 10% Placement Capacity unless specific approval is obtained for the purposes of ASX Listing Rule 10.11.

If Resolution 9 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

This resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at this Meeting.

## **Description of Listing Rule 7.1A**

### *(a) Shareholder Approval*

The ability to issue Equity Securities under the 10% Placement Capacity is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

### *(b) Equity Securities*

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company and must be issued for cash consideration.

The Company, as at the date of the Notice, has on issue the following classes of Equity Securities: quoted Fully Paid Ordinary Shares and Unquoted Options.

### *(c) Formula for Calculating 10% Placement Capacity*

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

$$(A \times D) - E$$

**A** is the number of shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12 month period immediately preceding the date of the issue or agreement):

- i. plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- ii. plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
  1. the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  2. the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- iii. plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
  1. the agreement was entered into before the commencement of the relevant period; or
  2. the agreement or issue was approved, or taken under the Listing Rules to have been approved,

under rule 7.1 or rule 7.4;

- iv. plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4.;
- v. plus the number of partly paid shares that became fully paid in the relevant period; and
- vi. less the number of fully paid shares cancelled in the relevant period.

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

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

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

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

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

*(e) Nature of Consideration for Issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

*(f) 10% Placement Period*

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following (such period, the **10% Placement Period**):

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**Specific information Required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Capacity as follows:

- (a) The period for which the Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 27 May 2021, and expires on the first to occur of the following:
  - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 27 May 2022;
  - (ii) the time and date of the Company's next annual general meeting; or
  - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant

change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
  - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised (for cash consideration only) by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:
  - (i) consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
  - (ii) continued expenditure on the Company's current business and/or general working capital.
- (d) If this resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may also be exposed to economic risk and voting dilution, including the following:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 9 April 2021 (**Current Share Price**) and the number of ordinary securities on issue at the same date, for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) .

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.12 Issue Price at 50% decrease to Current Share Price	\$0.24 Issue Price at Current Share Price	\$0.48 Issue price at 100% increase to Current Share Price
<b>Current Variable A</b> 624,854,034 Shares	<b>10% Voting Dilution</b>	62,485,403 Shares		
	<b>Funds raised</b>	\$7,498,248	\$14,996,496	\$29,992,993
<b>50% increase in current Variable A</b> 937,281,051 Shares	<b>10% Voting Dilution</b>	93,728,105 Shares		
	<b>Funds raised</b>	\$11,247,372	\$22,494,745	\$44,989,490
<b>100% increase in current Variable A</b> 1,249,708,068 Shares	<b>10% Voting Dilution</b>	124,970,807 Shares		
	<b>Funds raised</b>	\$14,996,496	\$29,992,993	\$59,985,987

The table has been prepared utilizing the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity;
  - No Options (including any Options issued under the 10% Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities;
  - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
  - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the AGM;
  - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
  - The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders; and
  - The Current Share Price above is **\$0.24** (closing price of the Shares on ASX on **9 April 2021**).
- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:
- (i) the methods of raising funds that are available to the Company, including, but not limited to, rights issues or other issues in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The Company:
- (i) has not issued, nor agreed to issue, any Equity Securities under Rule 7.1A.2 in the 12-month period

preceding the date of the Meeting; and

- (ii) had not agreed, before the 12-month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

***Voting Exclusions***

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

***Board Recommendation***

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



## GLOSSARY

The following capitalized terms have the following meanings in this Explanatory Statement:

- “\$” means Australian Dollars;
- “**10% Placement Capacity**” has the meaning as defined in the Explanatory Statement for Resolution 9;
- “**10% Placement Period**” has the meaning as defined in the Explanatory Statement for Resolution 9;
- “**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 31 December 2020;
- “**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;
- “**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHES approved securities;
- “**Auditor’s Report**” means the auditor’s report on the Financial Report;
- “**AEST**” means Australian Eastern Standard Time.
- “**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;
- “**Chair**” means the person appointed to chair the Meeting of the Company convened by the Notice;
- “**CHES**” has the meaning in Section 2 of the ASX Settlement Operating Rules;
- “**Closely Related Party**” means (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
- “**Company**” means Fluence Corporation Limited ACN 127 734 196;
- “**Constitution**” means the constitution of the Company as at the date of the Meeting;
- “**Convertible Security**” means a security of the Company which is convertible into shares;
- “**Corporations Act**” means the Corporations Act 2001 (Cth);
- “**Director**” means a Director of the Company;
- “**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;
- “**EDT**” means United States Eastern Daylight Time;
- “**Entity**” means Fluence Corporation Limited ACN 127 734 196;
- “**Equity Security**” has the same meaning as in the Listing Rules;
- “**Explanatory Statement**” or “**Statement**” means the explanatory statement which forms part of this Notice;
- “**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;
- “**Hybrid Meeting**” means a meeting that combines a ‘live’ in-person meeting at a physical location with a ‘virtual’ online component for remote attendees;
- “**Key Management Personnel**” or “**KMP**” has the same meaning as defined in the Corporations Act and includes persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;
- “**Listing Rules**” means the Listing Rules of the ASX;
- “**Meeting**” has the meaning given in the introductory paragraph of the Notice;
- “**Notice**” means this Notice of Meeting including the Explanatory Statement;
- “**Option**” means an option which, when exercised by holder of the option, entitles the holder to be issued one Share;
- “**Voting Form**” means the voting form attached to the Notice;
- “**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 31 December 2020 and which is set out in the 2020 Annual Report.
- “**Resolution**” means a resolution referred to in the Notice;
- “**Section**” means a section of the Explanatory Statement;
- “**Share**” means a fully paid ordinary share in the capital of the Company;
- “**Shareholder**” means shareholder of the Company;
- “**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and
- “**VWAP**” means volume weighted average price.

## ANNEXURE 1

### TERMS AND CONDITIONS OF DIRECTOR OPTIONS (SUBJECT TO APPROVAL OF SHAREHOLDERS)

#### 1. General terms

##### 1.1 Vesting of Options

- (a) Certain Options will vest immediately upon the Issue Date and other Options will vest with the passage of time. Vesting Conditions.
- (b) Options which are subject to a Vesting Condition will only be exercisable when they have vested.

##### 1.2 Expiry Date

- (a) If the Options become exercisable in accordance with paragraph 1.1 above, they may be exercised at any time and from time to time on or before the Expiry Date.
- (b) Any Options that have not lapsed on an earlier date and that are not exercised by the Participant on or before the Expiry Date will lapse at 5:00 pm AEDT or AEST (as applicable) on the Expiry Date.

##### 1.3 Exercise Price

The exercise price for each Option is the Exercise Price.

#### 2. Exercise of Options

##### 2.1 Exercise by the Participant

An Option may only be exercised by the Participant delivering to the Plan Administrator:

- (a) a Notice of Exercise duly executed by the Participant stating the number of Options that the Participant wants to be exercised; and
- (b) cash in an amount equal to the aggregate Exercise Price of the Options being exercised.

##### 2.2 Cashless exercise

Instead of paying the Exercise Price in cash, the Participant may elect for the Trustee, upon exercise of Options, to receive, on the Participant's behalf.

##### 2.3 Company's obligations

The Company must:

- (a) issue to the Trustee (on behalf of the Participant) the number of Shares the subject of the Options being exercised (subject to reduction in the case of a cashless exercise election), such Shares to be fully paid and to rank pari passu in all respects with the Shares already on issue at the date of exercise of the relevant Options;
- (b) deliver to the Trustee a share certificate or holding statement in respect of the Shares issued; and
- (c) where the option certificate was for a number of Options greater than those being exercised, issue a certificate or holding statement to the Trustee for the unexercised Options.

##### 2.4 Shares

- (a) The Participant will be advised in writing of the number, and date of issue, of the Shares held by the Trustee for and on behalf of that Participant.
- (b) In addition to other rights detailed in the Trust Deed with respect to Shares issued to the Trustee for and on behalf of the Participant, the Participant will have the right to:
  - (i) direct the exercise of any voting rights attaching to any Share; and
  - (ii) receive dividends with respect to any Share.

#### 3 Trigger Event or takeover bid

- (a) Notwithstanding, the treatment of the Options in the event of a trigger event or takeover bid will be governed by the relevant clauses of the Options Deed.
- (b) If the Company is served with a bidder's statement under the Corporations Act, the Participant may direct the Trustee to accept the bid on behalf of the Participant in respect of all or part of the Shares allocated to the Participant only if the Company has determined that the Participant will be permitted to so direct the Trustee.

#### 4 Adjustment for Reorganisation

##### 4.1 Adjustment

- (a) If at any time the Company reconstructs, adjusts or reorganises its capital in any way, the number of Options (or the number of Shares issuable on exercise of those Options) issued to the Participant, the Exercise Price for those Options, or both, must be adjusted if and in the manner required by the Listing Rules.
- (b) In the event of such a reconstruction, adjustment or reorganisation, subject to any applicable provisions relating to the

rounding of entitlements, in all other respects the terms for the exercise of Options will remain unchanged.

#### **4.2 Notice of Adjustment**

- (a) In each case of an adjustment of the Exercise Price, the Options or the number of Shares issuable upon exercise of the Options, the Company will calculate such adjustment and notify the Trustee and notify the Participant in writing at the address as shown in the Company's records.
- (b) The notice must specify the nature and extent of the adjustment to the terms of the Options allocated to the Participant both before and after the adjustment.

### **5 Transfer of Options and Plan Shares**

#### **5.1 Restrictions on transfer of Options**

An Option may not be transferred or assigned, except that if the Participant has died or the Participant's estate is liable to be dealt with under laws relating to mental health, after the production to the Board of such documents or other evidence as the Board may reasonably require to establish the Participant's legal personal representative's entitlement, the Options may be allocated to that legal personal representative or transferred from the Trustee, on the direction of that legal personal representative, to that legal personal representative.

#### **5.2 Registration of transfers**

The Company will register a transfer of Options and give the transferee an option certificate or holding statement as soon as reasonably practicable after the Company receives:

- (a) an instrument of transfer of the Options duly stamped (if required);
- (b) the certificate or holding statement for the Options; and
- (c) such evidence as the Board may require (including the written agreement of the transferee to be bound by this Deed) to establish the entitlement of the transferee to be so registered.

#### **5.3 Transfers of Plan Shares**

- (a) At any time after any Plan Shares have been allocated to the Participant by the Trustee, the Participant may direct the Trustee to:
  - (i) transfer the Shares to the Participant or to a person nominated by the Participant; or
  - (ii) sell the Shares and apply the proceeds (Sale Proceeds) in accordance with the Participant's directions.
- (b) If the Participant directs the Trustee to sell Shares, the Trustee will be entitled to deduct its expenses from the Sale Proceeds, and that if the expenses cannot be met from the Sale Proceeds, the Participant will be liable for those expenses.

### **6 Lapse of Options**

- (a) Subject to the absolute discretion of the Board, if the Participant's engagement with the Company Group ceases, the Options will lapse.
- (b) If any of the Options are subject to any Vesting Conditions that have not been met at the time the Participant ceases being employed or engaged, those Options will lapse immediately (unless otherwise determined by the Board).
- (c) The Options otherwise will lapse on the Expiry Date.

## ANNEXURE 2

### TERMS AND CONDITIONS OF RICHARD IRVING CEO OPTIONS (SUBJECT TO APPROVAL OF SHAREHOLDERS)

#### 1. Entitlement

Each option (**Option**) entitles Richard Irving (**Holder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**), subject to adjustment under these terms.

The Holder has no right to, or interest in, a Share unless and until it is issued to the Holder on exercise of the Option.

#### 2. Amount and Issue Price

1,500,000 Options. No amount is payable on issue of the Options.

#### 3. Exercise Price

The exercise price of each option is the 10% premium to 5-day VWAP up to and including the close of the ASX on 13 November 2020, calculated as \$0.29 (**Exercise Price**), subject to adjustment under these terms.

#### 4. Exercise Conditions

The Holder shall not be entitled to exercise Options unless the applicable exercise conditions set out below (**Exercise Conditions**) have been satisfied or waived by the board of directors of the Company (excluding the Holder) (**Board**):

- To complete the Board- endorsed Fluence restructuring with respect to certain business units by 30 June 2021;
- Achieving Board-endorsed 2021 market guidance (excluding any subsequent revisions) based on the Board approved 2021 budget and assessed on audit reviewed results

In the event of an acquisition of the Company resulting in a change of control of more than 50%, all unvested options shall immediately vest.

The determination of whether or not Exercise Conditions have been satisfied will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Holder.

The Board may, in its absolute discretion, determine whether or not to waive any Exercise Conditions, in whole or in part, in any circumstance, including on a change in control of the Company.

#### 5. Option Period

Subject to the satisfaction of any Exercise Conditions being satisfied or waived, each Option may be exercised in whole or in part at any time before 5.00pm (Melbourne time) on 30 June 2022 (**Expiry Time**). Unexercised Options shall automatically expire at that time.

#### 6. Certificate

The Company must give the Holder a certificate or holding statement stating:

- (a) the number of Options issued to the Holder;
- (b) the exercise price of the Options;
- (c) the date of issue of the Options; and
- (d) the Expiry Time.

#### 7. Transferability

No Option (or any interest in it) may be transferred by the Holder except with the prior written consent of the Company. Any unauthorised transfer will not be recognised by the Company.

#### 8. Participation Rights, Bonus Issues, Rights Issues and Reorganisations

##### 8.1 Participation

The Holder is not entitled to participate in any new issue to existing holders of securities in the Company except to the extent they have exercised their Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares.

##### 8.2 Notice of New Issue

The Company must give the Holder, in accordance with the ASX Listing Rules, notice of:

- (a) the proposed terms of the issue or offer under clause 8.1; and

- (b) the right to exercise their Options prior to the relevant record date.

### **8.3 Bonus Issues**

If the Company makes a bonus issue of Shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the Holder would have received if the Holder had exercised the Option before the record date for determining entitlements to the issue.

### **8.4 Pro Rata Issues**

If the Company makes a pro rata issue of Shares (except a bonus issue) to existing shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the Exercise Price of each Option shall be adjusted in accordance with the ASX Listing Rules.

### **8.5 Reorganisation**

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Holder (including the number of underlying Shares to the Options and/or the Exercise Price) shall be adjusted to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

### **8.6 Calculations and Adjustments**

Any calculations or adjustments which are required to be made under this clause 8 will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Holder.

### **8.7 Notice of Change**

The Company must within a reasonable period and otherwise in accordance with the ASX Listing Rules, give to the Holder notice of any change under clause 8 to the Exercise Price or the number of Shares which the Holder is entitled to subscribe for on exercise of an Option.

### **8.8 No Breach**

Notwithstanding anything in these terms, the Company shall not be required to take any action which would be in breach of any applicable law, regulation or the ASX Listing Rules.

## **9. Method of Exercise of Options**

### **9.1 Method and Payment**

Subject to the satisfaction of any Exercise Conditions being satisfied or waived, the Holder may exercise an Option at any time prior to the Expiry Time by giving the Company:

- (a) a duly completed and executed Exercise Notice (as attached to these terms) specifying the number of Options the Holder wishes to exercise (which must be in multiples of 100,000, unless the Holder exercises all Options held);
- (b) the Exercise Price for those Options in cleared funds by way of bank cheque, electronic transfer or other means agreed with the Company; and
- (c) any certificate for those Options.

### **9.2 Issue of Shares**

Within 10 business days after receiving an Exercise Notice and payment by the Holder of the Exercise Price, the Company must issue the Holder the number of Shares resulting from the exercise of the Options specified in the Exercise Notice.

## **10. Ranking of Shares Issued on Exercise of Options**

- (a) Subject to the Company's constitution, all Shares issued on the exercise of Options rank in all respects (including rights relating to dividends) *pari passu* with the existing Shares at the date of issue.
- (b) The Holder acknowledges and accepts that the on-sale of Shares may be restricted in the 12 months immediately following the date of issue in accordance with the Corporations Act. the Company may, but is not required to, issue such notices or lodge such documents to enable the on-sale of those Shares in the 12 months immediately following the date of issue.

## **11. Quotation**

The Company will not apply to ASX Limited for official quotation of the Options but will apply to ASX Limited for official quotation of the Shares issued on exercise of Options (subject to clause 10(b)).

## ANNEXURE 3

## SHAREHOLDER NOMINATION OF AUDITOR LETTER



The Directors  
Fluence Corporation Limited  
Suite 830, 8th Floor  
10 Bank St  
White Plains  
NEW YORK 10606  
United States of America

14 April 2021

Dear Directors

Milvian Bridge Pty Ltd being a registered member of Fluence Corporation Limited hereby nominates BDO Audit Pty Ltd for appointment as auditor of the company at the forthcoming annual general meeting.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Ross Kennedy", is written over a faint, light blue circular stamp.

Ross Kennedy  
Director



#### All correspondence to:

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

📠 **By Fax** +61 2 9290 9655

💻 **Online** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 9:00am (AEST) on Tuesday, 25 May 2021.**

### 🖨 TO VOTE ONLINE

**STEP 1: VISIT** [www.votingonline.com.au/fluenceagm2021](http://www.votingonline.com.au/fluenceagm2021)

**STEP 2: Enter your Postcode (if within Australia) OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

**PLEASE NOTE:** For security reasons it is important you keep the above information confidential.

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE VOTING FORM

The voting form can be used to either vote directly (Section 1) OR appoint a proxy to vote on your behalf (Section 2).

#### SECTION 1: DIRECT VOTING

If you wish to vote directly, you should clearly mark the box in Section 1 and the boxes in Section 3 to indicate your voting instruction for each resolution. Please only mark either "for" or "against" for each resolution. Do not mark the "abstain" box if you are voting directly. If no direction is given on a resolution, or if you complete both the boxes in Section 1 and 2, your vote may be passed to the Chairman of the Meeting as your proxy. Securityholders, custodians and nominees may identify on the Voting Form the total number of votes in each of the categories "for" and "against" and their votes will be valid. The Chairman's decision as to whether a direct vote is valid is final and conclusive.

#### SECTION 2: APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Section 2. If you wish to appoint someone other than the Chairman 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 or does not vote on a poll in accordance with your instructions, the Chairman of the Meeting will be your proxy by default. A proxy need not be a Securityholder 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 on a poll. 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:

- complete two forms. On each 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.
- return both forms together in the same envelope.

#### SECTION 3: VOTING DIRECTIONS

To cast your direct vote or to direct your proxy how to vote, place a mark in one of the boxes opposite each resolution. 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 resolution by inserting the percentage or number that you wish to vote in the appropriate box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%. If you do not mark any of the boxes on a given resolution, your proxy may vote as he or she chooses (subject to any voting restrictions that apply to your proxy). If you mark more than one box on a resolution for all your securities your vote on that resolution 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.

#### SECTION 4: 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.**

#### LODGEMENT

Voting 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 **9:00am (AEST) on Tuesday, 25 May 2021**. Any Voting Form received after that time will not be valid for the scheduled Meeting.

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

- 💻 **Online** <https://www.votingonline.com.au/fluenceagm2021>
- 📱 **By Smartphone** Scan the QR Code
- 📠 **By Fax** +61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia





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.**

## VOTING FORM

### SECTION 1: DIRECT VOTING



I/We being a Securityholder/s of **Fluence Corporation Limited** (Company) and entitled to attend and vote hereby elect to vote directly at the Annual General Meeting of the Company to be held **at Leydin Freyer Corporate Level 4, 96-100 Albert Road South Melbourne, Victoria on Thursday, 27 May 2021 at 9:00am (AEST)** and at any adjournment of that Meeting.

### SECTION 2: APPOINTMENT OF PROXY



I/We being a Securityholder/s of **Fluence Corporation Limited** (Company) and entitled to attend and vote hereby appoint:

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

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered Securityholder) 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 Chairman of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held **at Leydin Freyer Corporate Level 4, 96-100 Albert Road South Melbourne, Victoria on Thursday, 27 May 2021 at 9:00am (AEST)** and at any adjournment or 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 Resolutions 1 and 3-7, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 and 3-7 are connected with the remuneration of a member of the key management personnel for the Company.

**The Chair of the Meeting will vote all undirected proxies in favour of all Resolutions.** 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.

### SECTION 3: VOTING DIRECTIONS

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Ross Haghighat as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to Grant Options to Richard Irving (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Grant Options to Paul Donnelly (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to Grant Options to Ross Haghighat (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to Grant Options to Dr Rengarajan Ramesh (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to Grant Options to Richard Irving (or his nominee) as part of his employment contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Ratification of Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular resolution, 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.

### SECTION 4: SIGN THE FORM

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 / / 2021