



Redflow Limited
ACN 130 227 271

Notice of Annual General Meeting

to be held on

Date: Thursday, 14 October 2021

Time: 10.00 am (Brisbane time)/11.00 am (AEDT)

Place: As a virtual meeting via an online platform at <https://web.lumiagm.com/> (Meeting ID: 354-332-582)

This is an important document and requires your attention.

If you are in any doubt about how to deal with this document, please consult your legal, financial or other professional advisor.

Notice of Annual General Meeting

Notice is given that an Annual General Meeting (**AGM**) of Redflow Limited ACN 130 227 271 (**Redflow**) will be held at **10.00 am (Brisbane time)** (11.00am AEDT) on **Thursday, 14 October 2021** as a virtual meeting via an online platform at <https://web.lumiagm.com/> (Meeting ID: 354-332-582).

How to attend the virtual Annual General Meeting

To join the meeting, you or your proxy/attorney will need a desktop or mobile/tablet with internet access. The meeting ID is **354-332-582**. You must log onto your electronic device and register your attendance (with your VAC – Voting Access Code provided to you on the proxy form by Redflow's share registry, Boardroom Pty Ltd). Registration will open from 9.00am (Brisbane time) (10.00 am AEDT) on Thursday, 14 October 2021.

We recommend that you test to see that this link works on your device before the AGM commencing at 10.00am (Brisbane time) (11.00am AEDT).

How to participate at the virtual Annual General Meeting

Shareholders will be given a reasonable opportunity to ask questions during the Annual General Meeting via the online AGM platform. To ensure as many shareholders as possible have the opportunity to speak, shareholders are requested to observe the following requests:

- All shareholder questions should be clearly stated and should be relevant to the business of the meeting, and general questions about the performance, business or management of Redflow;
- If a shareholder has more than one question on an item of business, all questions should be asked at that one time; and
- Shareholders should not ask any questions at the Annual General Meeting relating to any matters that are personal to the shareholder.

Agenda

Ordinary Business

1 Financial statements and reports

To receive and consider the Financial Report, Directors Report and Independent Auditor's Report for Redflow and its controlled entities for the financial year ended 30 June 2021.

2 Resolution 1 – Adoption of the Remuneration Report

To consider and if thought fit, to pass the following resolution as a non-binding ordinary resolution under section 250R(2) of the Corporations Act:

'That the Remuneration Report for the year ended 30 June 2021 is hereby adopted.'

- Notes:**
- (1) This resolution is advisory only and does not bind Redflow or the Directors.
 - (2) If 25% or more of votes that are cast are voted against the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of Redflow's Directors (other than the Managing Director) must stand for re-election.

Voting Exclusion

Redflow will disregard and not count any votes cast (in any capacity) on Resolution 1 by or on behalf of either or both the following persons:

- (a) a member of Redflow's Key Management Personnel; or
- (b) a Closely Related Party of a member of Redflow's Key Management Personnel, unless:
 - (c) the person:
 - (i) does so in relation to a resolution where they hold a Directed Proxy; or
 - (ii) is the Chairman of the meeting and is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution; and
 - (d) the vote is not cast on behalf of a person described in paragraphs (a) and (b) above.

3 Resolution 2 – Re-election of John Lindsay as Director

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

'That, John Lindsay, who will retire at the close of the Annual General Meeting in accordance with clause 8.3 of Redflow's Constitution, and being eligible for re-election, be re-elected as a Director of Redflow.'

4 Resolution 3 – Re-election of David Brant as Director

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

'That, David Brant, who will retire at the close of the Annual General Meeting in accordance with clause 8.3 of Redflow's Constitution, and being eligible for re-election, be re-elected as a Director of Redflow.'

5 Resolution 4 - Approval of Enhanced 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 issue of such a number of shares equal to up to 10% of the issued capital of Redflow, at the time of the issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and as described in the Explanatory Memorandum accompanying the Notice of Meeting.'

Voting Exclusion

If at the time the approval is sought Redflow is proposing to make an issue of equity securities under rule 7.1A.2, Redflow will disregard any votes cast in favour of this Resolution by or on behalf of any person (or any associates of such a person) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in Redflow).

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

- (a) a person as 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 Chairman 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 Chairman to vote on the resolution as the Chairman decides;
- (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.

Director remuneration

6 Resolution 5 - Approval for grant of performance rights to Managing Director

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

'That for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the grant of 10,000,000 performance rights to Timothy Harris, in accordance with the terms and conditions of Redflow's Performance Rights Plan and as described in the Explanatory Memorandum accompanying the Notice of Meeting.'

Voting exclusion

Redflow will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Performance Rights Plan or any associate of those persons. However, this does apply to a vote cast in favour of a resolution by:

- (a) a person as 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 Chairman 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 Chairman to vote on the resolution as the Chairman 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.

In addition, pursuant to the Corporations Act, Redflow's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- (a) the proxy holds a Directed Proxy; or
- (b) the proxy is the Chairman of the Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.

7 Resolution 6 - Approval for grant of options to Chairman

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

'That for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the grant of 4,166,667 options to Mr Brett Johnson, in accordance with the terms and conditions of Redflow's Share and Option Plan and as described in the Explanatory Memorandum accompanying the Notice of Meeting.'

Voting exclusion

Redflow will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Share and Option Plan or any associate of those persons. However, this does apply to a vote cast in favour of a resolution by:

- (a) a person as 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 Chairman 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 Chairman to vote on the resolution as the Chairman 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:
 - (iii) 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
 - (iv) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, pursuant to the Corporations Act, Redflow's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- (a) the proxy holds a Directed Proxy; or
- (b) the proxy is the Chairman of the Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.

8 Resolution 7 - Approval for grant of options to Mr David Knox

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

'That for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the grant of 2,220,000 options to Mr David Knox, in accordance with the terms and conditions of Redflow's Share and Option Plan and as described in the Explanatory Memorandum accompanying the Notice of Meeting.'

Voting exclusion

Redflow will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Share and Option Plan or any associate of those persons. However, this does apply to a vote cast in favour of a resolution by:

- (a) a person as 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 Chairman 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 Chairman to vote on the resolution as the Chairman 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.

In addition, pursuant to the Corporations Act, Redflow's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- (a) the proxy holds a Directed Proxy; or
- (b) the proxy is the Chairman of the Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.

9 Resolution 8 - Approval for grant of options to Mr David Brant

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

'That, subject to the passage of Resolution 3 (re-election), for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the grant of 2,220,000 options to Mr David Brant, in accordance with the terms and conditions of Redflow's Share and Option Plan and as described in the Explanatory Memorandum accompanying the Notice of Meeting.'

Voting exclusion

Redflow will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Share and Option Plan or any associate of those persons. However, this does apply to a vote cast in favour of a resolution by:

- (a) a person as 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 Chairman 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 Chairman to vote on the resolution as the Chairman 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.

In addition, pursuant to the Corporations Act, Redflow's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- (a) the proxy holds a Directed Proxy; or
- (b) the proxy is the Chairman of the Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.

10 Resolution 9 - Approval for grant of options to Mr John Lindsay

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

'That, subject to the passage of Resolution 2 (re-election), for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the grant of 2,220,000 options to Mr John Lindsay, in accordance with the terms and conditions of Redflow's Share and Option Plan and as described in the Explanatory Memorandum accompanying the Notice of Meeting.'

Voting exclusion

Redflow will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Share and Option Plan or any associate of those persons. However, this does apply to a vote cast in favour of a resolution by:

- (a) a person as 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 Chairman 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 Chairman to vote on the resolution as the Chairman 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.

In addition, pursuant to the Corporations Act, Redflow's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- (a) the proxy holds a Directed Proxy; or
- (b) the proxy is the Chairman of the Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.

Corporate structure

11 Resolution 10 – Adoption of new Constitution

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

'That pursuant to section 136(2) of the Corporations Act, the constitution submitted to this meeting and signed by the Chairman of this meeting for the purpose of identification is approved and adopted as the constitution of the Company in substitution for and to the exclusion of the existing constitution of Redflow with effect from the end of this meeting.'

Issue of shares to New Technology Capital Group, LLC

12 Resolution 11 – Ratification of the prior issue of Initial Subscription Shares to New Technology Capital Group, LLC

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

*'That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 16,800,000 fully paid ordinary shares, issued by way of a placement to New Technology Capital Group, LLC (**Investor**) on 25 June 2021.'*

Voting Exclusion Statement

Redflow will disregard any votes cast in favour of this resolution by or on behalf of the Investor or an associate of the Investor. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as 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 AGM 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.

13 Resolution 12 – Ratification of prior issue of Investment Fee Shares to New Technology Capital Group, LLC

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

*'That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 3,903,810 fully paid ordinary shares at an issue price of \$0.064 per share in satisfaction of a fee payable to the Investor on 25 June 2021 (**Investment Fee Shares**).'*

Voting exclusion

Redflow will disregard any votes cast in favour of this resolution by or on behalf of the Investor or an associate of the Investor. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as 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 AGM 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.

Issue of securities to FUNDS4SE

14 Resolution 13 - Approval for the issue of Tranche 1 Shares and Attaching Options to FUND4SE

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

'That, subject to the passing of Resolutions 14 and 15 set out in this Notice of Meeting, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for:

- *the issue of 8,474,576 fully paid ordinary shares with an issue price of \$0.059 per share (**Tranche 1 Shares**); and*
- *the grant of 8,474,576 attaching options with an exercise price of \$0.10 per option with an expiry date of 30 June 2022 (**Attaching Options**),*

and on the terms and conditions set out in the Explanatory Memorandum accompanying this notice of meeting, to FUND4SE.'

Voting exclusion

Redflow will disregard any votes cast in favour of this resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in Redflow) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as 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 AGM 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.

15 Resolution 14 – Approval for the grant of Tranche 2 Options to FUND4SE

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

*'That, subject to the passing of Resolutions 13 and 15 set out in this Notice of Meeting, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant of up to 100,000,000 options with an exercise price of \$0.08 per option, and on the terms and conditions set out in the Explanatory Memorandum accompanying this notice of meeting, to FUND4SE (**Tranche 2 Options**).'*

Voting exclusion

Redflow will disregard any votes cast in favour of this resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in Redflow) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as 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 AGM 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.

16 Resolution 15 – Approval for grant of Tranche 3 Options to FUND4SE

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

'That, subject to the passing of Resolutions 13 and 14 set out in this Notice of Meeting, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant of up to 55,000,000 options with an exercise price of \$0.10 per option, and on the terms and conditions set out in the Explanatory Memorandum accompanying this notice of meeting, to FUND4SE (Tranche 3 Options).'

Voting exclusion

Redflow will disregard any votes cast in favour of this resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in Redflow) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as 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 AGM 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.

Dated: 14 September 2021

By order of the Board



Trudy Walsh
Company Secretary

Notes

- 1 The Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the share register at 7pm (Sydney time) 12 October 2021. Accordingly, those persons are entitled to virtually attend and vote at the Annual General Meeting.
- 2 If you are eligible, you may vote by attending the Annual General Meeting virtually or by proxy or attorney. A member who is a body corporate may appoint a representative to virtually attend and vote on its behalf.
- 3 Members participating in the Annual General Meeting via the online AGM platform can vote online at any time between the start of the Annual General Meeting at 10.00 am (Brisbane time) on Thursday, 14 October 2021 and the closure of voting as announced by the Chairman during the Annual General Meeting.
- 4 To vote by proxy, please complete, sign and return the **enclosed** proxy form in accordance with the following instructions. If you require an additional proxy form, Redflow will supply it on request.
- 5 A member who is entitled to vote at the Annual General Meeting, may appoint one proxy if the member is only entitled to one vote or one or two proxies if the member is entitled to more than one vote. A proxy need not be a member of Redflow.
- 6 Where the member appoints 2 proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
- 7 The proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the Corporations Act and the constitution of that corporation.
- 8 To be effective, the proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by Boardroom Pty Ltd (**Share Registry**) at least 48 hours before the time for holding of the Annual General Meeting or any adjourned meeting (or such lesser period as the Directors may permit):
 - (a) By mail c/- Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001
 - (b) Online by logging into <https://www.votingonline.com.au/rfx2021agm> and using the holding details as shown on the front of your proxy form.
 - (c) By facsimile to (02) 9290 9655 (within Australia) or +61 2 9290 9655 (outside Australia).
- 9 Any proxy form received after this deadline will be treated as invalid.
- 10 Proxyholders will need to contact Boardroom at least 24 hours prior to the start of the Annual General Meeting and Boardroom will provide them with their proxyholder login information that they will need to enter into the online AGM Platform.
- 11 As members are asked to participate virtually in the Annual General Meeting, each resolution will be conducted by a poll. Redflow considers voting by poll to be in the interests of members as a whole and ensures the views of as many members as possible are represented at the Annual General Meeting.
- 12 A member of Redflow's Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, in their own right vote on the adoption of the Remuneration Report in Resolution 1.

- 13 A person appointed as proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
- (a) the proxy holds a Directed Proxy;
 - (b) where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Redflow Key Management Personnel or a Closely Related Party and holds an Undirected Proxy; or
 - (c) the proxy is required by law or Redflow's constitution to vote in a certain manner or abstain from voting.
- 14 If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your Undirected Proxy in accordance with his intentions set out below.
- 15 The Chairman intends to vote all Undirected Proxies in favour of all resolutions.
- 16 The following definitions apply in this document:

Closely Related Party means the closely related parties of Key Management Personnel as defined in the Corporations Act, and includes certain members of their family, dependants and companies they control.

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

Directed Proxy means a proxy form which specifies how the proxy is to vote.

Key Management Personnel of Redflow are the Directors of Redflow and those other persons having authority and responsibility for planning, directing and controlling the activities of Redflow, directly or indirectly. The Remuneration Report identifies Redflow's key management personnel for the financial year to 30 June 2021.

Remuneration Resolution means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel and includes Resolutions 1 and 5 to 9 in this Notice of Meeting.

Shareholder means a holder of shares in Redflow.

Undirected Proxy means a proxy form which does not specify how the proxy is to vote.

Explanatory Memorandum

This Explanatory Memorandum has been prepared to assist Shareholders with their consideration of the resolutions to be put to the Annual General Meeting to be held on Thursday, 14 October 2021. These Explanatory Memorandum should be read with, and form part of, the accompanying Notice of Annual General Meeting.

1 Financial statements and reports

The Redflow Limited 2021 Annual Report (which includes the Financial Report, the Directors Report and the Independent Auditor's Report) will be presented to the Annual General Meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman of the Annual General Meeting will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the management of Redflow. Shareholders will be given a reasonable opportunity to ask the Independent Auditor questions about the conduct of the audit and the content of the Auditor's Report.

Shareholders are requested to ask any general question they have in relation to the management or operation of Redflow at this time as there will be no general question time at the end of the Meeting.

2 Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2021

The Remuneration Report of Redflow for the financial year ended 30 June 2021 is set out in Redflow's 2021 Annual Report.

The Remuneration Report sets out Redflow's remuneration arrangements for Directors, including the Managing Director and Redflow's Key Management Personnel. The Chairman of the Annual General Meeting will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report at the Annual General Meeting. The resolution is advisory only and does not bind Redflow or its Directors. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Annual General Meeting when reviewing Redflow's remuneration policies.

A voting exclusion applies to Key Management Personnel and their Closely Related Parties in certain circumstances – please see the voting exclusion in the notes to Resolution 1.

Under the Corporations Act, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of Redflow's Directors (other than the Managing Director) must stand for re-election.

As the Directors have a personal interest in the proposed Resolution 1, they make no recommendations as to how Shareholders should vote on the Resolution.

3 Resolutions 2 and 3 – Re-election of John Lindsay and David Brant as Directors

3.1 Background

Rule 8.3(a) of Redflow's Constitution states that no Director shall hold office for a continuous period in excess of 3 years or until the third annual general meeting following a Director's appointment, whichever is the longer, without submitting for re-election.

Directors Lindsay and Brant were last elected by shareholders on 26 November 2018. Accordingly, they both retire by rotation and are eligible for re-election.

3.2 Re-election of John Lindsay

John Lindsay was appointed to fill a casual vacancy as a Non-Executive Director on 11 September 2018. The Board considers Mr Lindsay to be an independent director.

John Lindsay has been a Director of ASX-listed Uniti Group Ltd (ASX: UWL) since May 2018 where he serves on the Audit and Risk Committee and is Chair of the Remuneration Committee. John is also a Director of the Telecommunications Industry Ombudsman Ltd (**TIO**), the external dispute resolution body for the telecommunications industry. He serves on the TIO Audit, Finance and Risk Committee.

John has previously held senior technology leadership roles as Chief Technology Officer (**CTO**) at iiNet Limited, CTO at Internode and General Manager of Chariot Internet.

John is a graduate of the Australian Institute of Company Directors.

The Directors (with Mr Lindsay abstaining) unanimously recommend that Shareholders vote in favour of this Resolution.

3.3 Re-election of David Brant

David Brant was appointed to fill a casual vacancy as a Non-Executive Director on 19 October 2018. The Board considers Mr Brant to be an independent director.

David Brant has more than 20 years of Managing Director experience running a number of businesses in Asia for IMI plc, a UK based FTSE 200 company. This included 13 years at Executive Board level for the Norgren Group of companies focused on manufacturing automation and included establishing a global manufacturing and technology design centre based in China. David then worked for Redflow as Vice President Strategy and Corporate Development from 2010 to 2012 and ran his own start-up energy storage business Energy 365 from 2014 to 2017.

David Brant currently serves as a Non-Executive Director of Loddon Mallee Housing Services Ltd trading as Haven; Home, Safe, an affordable housing provider, and Nillumbik Community Health Services Ltd trading as Carrington healthAbility, a significant community health organisation.

David is a Fellow of the Australian Institute of Company Directors, has a Bachelor of Engineering and a Post Graduate Diploma of Business Administration. David is currently not a director of any other listed companies.

The Directors (with Mr Brant abstaining) unanimously recommend that Shareholders vote in favour of this Resolution.

4 Resolution 4 – Approval of Enhanced Placement Capacity

4.1 Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue shares up to 10% of their issued share capital through placements over a 12 month period after the Annual General Meeting (**Enhanced Placement Capacity**). This Enhanced Placement Capacity is in addition to Redflow's 15% placement capacity under Listing Rule 7.1 (**15% Placement Capacity**).

Redflow is an eligible entity for the purposes of Listing Rule 7.1A. Redflow has a market capitalisation of less than \$300 million and is not included in the S&P ASX 300 Index.

Resolution 4 seeks Shareholder approval for Redflow to continue to have Enhanced Placement Capacity to issue equity securities without Shareholder Approval. Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders virtually attending the meeting and eligible to vote (in person online, by proxy, by attorney or, in the case of a case of a corporate shareholder, by a corporate representative).

If approved, the effect of Resolution 4 will be to allow the Directors to issue shares under the Enhanced Placement Capacity pursuant to Listing Rule 7.1A during the Enhanced Placement Period without Shareholder approval in addition to Redflow's 15% Placement Capacity.

If Resolution 4 is not passed, Redflow will not be able to issue shares under the Enhanced Placement Capacity pursuant to Listing Rule 7.1A and will remain subject to the 15% Placement Capacity limit on issuing shares without Shareholder approval set out in Listing Rule 7.1.

4.2 Calculation of the Enhanced Placement Capacity

The actual number of shares that Redflow will have capacity to issue under the Enhanced Placement Capacity will be calculated at the date of issue of the shares in accordance with the formula prescribed in Listing Rule 7.1A.2.

4.3 Minimum Issue Price

The issue price of shares issued under the Enhanced Placement Capacity will not be less than 75% of the volume weighted average price of shares in the same class calculated over the 15 trading days immediately before:

- (a) the date on which the price at which the shares are to be issued is agreed by Redflow and the recipient of the shares; or
- (b) if the shares are not issued within 10 trading days of the date in paragraph 4.3(a) above, the date on which the shares are issued.

4.4 Enhanced Placement Period

Shareholder approval of the Enhanced Placement Capacity is valid, and shares will only be issued, from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained (which is expected to be 14 October 2022);
- (b) the time and date of Redflow's next annual general meeting; or
- (c) 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),

(Enhanced Placement Period).

4.5 Dilution of existing Shareholders

(a) **Dilution risks**

If Resolution 4 is approved by Shareholders and Redflow issues shares under the Enhanced Placement Capacity, the existing Shareholders' voting power in Redflow will be diluted as shown in the below table.

(b) **Economic risks**

There is a risk that:

- the market price for Redflow's shares may be significantly lower on the date of the issue of the shares than on the date of this Annual General Meeting; and
- the shares may be issued at a price that is at a discount to the market price for Redflow's shares on the issue date.

If shares are issued at a discount to the net tangible asset value per share (**NTA**) there may be a negative impact on NTA.

(c) **Potential dilution of existing ordinary Shareholders**

The below table shows the dilution of existing Shareholders on the basis of the market price of shares and the number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at 31 August 2021. 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 Redflow 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 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		
		\$0.029 50% decrease in issue price	0.058 issue price	\$0.116 100% increase in issue price
Current Variable A 1,396,950,377 shares	10% voting dilution	139,695,038	139,695,038	139,695,038
	Funds raised	\$4,051,156	\$8,102,312	\$16,204,624
50% increase in Variable A 2,095,425,566 shares	10% voting dilution	209,542,557	209,542,557	209,542,557
	Funds raised	\$6,076,734	\$12,153,468	\$24,306,937
100% increase in Variable A 2,793,900,754 shares	10% voting dilution	279,390,075	279,390,075	279,390,075
	Funds raised	\$8,102,312	\$16,204,624	\$32,409,249

Notes

The table has been prepared on the following assumptions:

- (a) Redflow issues the maximum number of shares available under the Enhanced Placement Capacity.
- (b) 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%.
- (c) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Enhanced Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- (d) The table shows only the effect of issues of shares under Listing Rule 7.1A, not under the 15% Placement Capacity under Listing Rule 7.1.
- (e) The issue price is \$0.058, being the closing price of the shares on ASX on 31 August 2021.
- (f) The number of shares on issue is 1,396,950,377 being the number of shares on issue as at 31 August 2021.

4.6 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 Enhanced Placement Capacity as follows:

- (a) Redflow may issue shares under the Enhanced Placement Capacity for cash consideration in order to provide additional funding to support Redflow's activities, for example, funds raised may be applied towards operating costs and overheads, additional machinery and equipment purchases, additional inventory or research and development.
- (b) Redflow's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Enhanced Placement Capacity. The identity of the allottees of shares will be determined on a case-by-case basis having regard to factors including but not limited to the following:
 - (i) the methods of raising funds that are available to Redflow, 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 shares on the control of Redflow;
 - (iii) the financial situation and solvency of Redflow; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (c) The allottees under the Enhanced Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new shareholders who are not related parties or associates of a related party of Redflow.

4.7 Shareholder Approval previously obtained under Listing Rule 7.1A

Redflow obtained Shareholder approval under Listing Rule 7.1A at Redflow's last Annual General Meeting held on 26 November 2020.

4.8 Total equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months preceding the Annual General Meeting

Pursuant to ASX Listing Rule 7.3A.6, Redflow has not issued or agreed to issue shares under Listing Rule 7.1A.2 in the 12 months preceding the date of the Annual General Meeting.

4.9 **Voting Exclusion Statement – ASX Listing Rule 7.3A.7**

A voting exclusion statement is included in the Notice of Meeting. However, at the date of the Notice of Meeting, Redflow has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the shares. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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

5 **Background to Resolutions 5 to 9 – Director Remuneration**

5.1 **Remuneration policy**

Redflow's performance depends upon the quality of its executives and Board. Their compensation structure is designed to strike an appropriate balance between fixed and variable remuneration, rewarding capability and experience and providing recognition for contribution to Redflow's overall goals and objectives.

In deciding the remuneration and incentives of Tim Harris, the CEO and Managing Director, the Board considers that there should be an appropriate mix of remuneration comprising cash and securities to link his remuneration to the financial performance of Redflow.

Equity-based incentives consistent with Redflow's remuneration policy better aligns the performance of the Managing Director and Board with Redflow's financial performance. The Board also believes that an equity-based remuneration component helps it to attract and retain the best executives and Board members.

In relation to non-executive directors the Board considers that an appropriately structured equity based remuneration does not compromise the ability of those directors to act independently of management and to perform their customary oversight and supervisory functions.

The Directors consider the remuneration policy to be a sensible and well-balanced policy which allows them to adjust the remuneration mix appropriately to Redflow's changing circumstances.

5.2 **Disclosure of Director remuneration**

Details of the nature and amount of remuneration of each Director is disclosed annually in Redflow's Remuneration Report contained in its Annual Report.

5.3 **Listing Rule requirements**

Listing Rule 10.14 provides that a listed company must not permit a director to acquire equity securities under an employee incentive scheme without shareholder approval.

As Tim Harris is the Managing Director of the Company, the proposed grant of performance rights under the Company's Performance Rights Plan fall within Listing Rule 10.14.1. **Resolution 5** seeks the required approval of the Shareholders under and for the purposes of Listing Rule 10.14.

As Messrs Johnson, Knox, Brant and Lindsay are Directors of the Company, the proposed issue of options under the Company's Share and Option Plan under **Resolutions 6 to 9** fall within Listing Rule 10.14.1. Accordingly, shareholder approval is sought under Listing Rule 10.14 for the proposed issue of options to the Directors.

If approval is given under Listing Rule 10.14, Redflow will be able to grant the:

- (a) performance rights to Tim Harris; and
- (b) options to Directors Johnson, Knox, Brant and Lindsay,

and approval will not be required under Listing Rule 7.1.

If Resolutions 5 to 9 are not passed, Redflow will not be able to grant the equity securities to the Directors.

If this occurs, Redflow intends to re-negotiate a replacement long term incentive opportunity with the Managing Director which could include the re-negotiation of the amount, terms and form of the long term incentive.

5.4 Corporations Act requirements

Shareholder approval under Chapter 2E of the Corporations Act (related party benefits) is not required because the issue of Performance Rights and Options is considered to be reasonable remuneration and falls within the exception to the requirement for shareholder approval.

6 Resolution 5 – Approval for grant of performance rights to Managing Director

6.1 Proposed Grant

It is proposed to seek shareholder approval for the grant a total of 10,000,000 Performance Rights to Tim Harris.

Mr Harris has been the CEO since late March 2018. He has guided Redflow through its transformation from an R&D organisation into a commercially focused sales and marketing entity with a quality manufacturing facility in Thailand and significant potential sales opportunities in Australia, the USA and in other countries. The Board believes that it is essential that Tim remains with Redflow for the foreseeable future and that it is appropriate to seek shareholder approval for the award of Performance Rights a part of his remuneration package.

The award which will comprise 3 tranches, as follows:

Tranche	Number of Performance Rights	Vesting Conditions												
Tranche 1	Up to 3,333,334	Loyalty – Provided that Mr Harris has remained continuously employed as Chief Executive Officer (or such other executive position as determined by the Board) of Redflow at each Loyalty Testing Date, Performance Rights will vest as follows:												
		<table border="1"> <thead> <tr> <th>Loyalty Testing Date</th> <th>Percentage of Performance Rights that vest</th> <th>Number of Performance Rights that vest</th> </tr> </thead> <tbody> <tr> <td>30 June 2022</td> <td>33%</td> <td>1,100,000</td> </tr> <tr> <td>30 June 2023</td> <td>33%</td> <td>1,100,000</td> </tr> <tr> <td>30 June 2024</td> <td>34%</td> <td>1,133,334</td> </tr> </tbody> </table>	Loyalty Testing Date	Percentage of Performance Rights that vest	Number of Performance Rights that vest	30 June 2022	33%	1,100,000	30 June 2023	33%	1,100,000	30 June 2024	34%	1,133,334
		Loyalty Testing Date	Percentage of Performance Rights that vest	Number of Performance Rights that vest										
		30 June 2022	33%	1,100,000										
		30 June 2023	33%	1,100,000										
30 June 2024	34%	1,133,334												
Any Performance Rights that have not vested under this Vesting Condition by the relevant Loyalty Testing Date, will lapse and be cancelled.														

<p>Tranche 2</p>	<p>Up to 3,333,333</p>	<p>Operational KPIs – The Performance Rights vest as follows if the following conditions are satisfied:</p> <p>(a) Mr Harris has remained continuously employed as Chief Executive Officer (or such other executive position as determined by the Board) of Redflow until 30 June 2024 (Service Condition); and</p> <p>(b) agreed operational key performance indicators (KPIs) are satisfied on the following Testing Dates:</p> <table border="1" data-bbox="738 607 1461 862"> <thead> <tr> <th>Tranche</th> <th>Number of Performance Rights</th> <th>Testing Date</th> </tr> </thead> <tbody> <tr> <td>Tranche A</td> <td>1,111,111</td> <td>30 June 2022</td> </tr> <tr> <td>Tranche B</td> <td>1,111,111</td> <td>30 June 2023</td> </tr> <tr> <td>Tranche C</td> <td>1,111,111</td> <td>30 June 2024</td> </tr> </tbody> </table> <p>Any Performance Rights that do not vest on their relevant Testing Date will be re-tested at the following Testing Date based on the KPIs for that next Testing Date.</p> <p>For the avoidance of doubt, no Performance Right in this Tranche can be exercised until 1 July 2024.</p> <p>Any Performance Rights that have not vested under this Vesting Condition by the final Testing Date of 30 June 2024, will lapse and be cancelled.</p>	Tranche	Number of Performance Rights	Testing Date	Tranche A	1,111,111	30 June 2022	Tranche B	1,111,111	30 June 2023	Tranche C	1,111,111	30 June 2024
Tranche	Number of Performance Rights	Testing Date												
Tranche A	1,111,111	30 June 2022												
Tranche B	1,111,111	30 June 2023												
Tranche C	1,111,111	30 June 2024												
<p>Tranche 3</p>	<p>Up to 3,333,333</p>	<p>Share Price Target – The Performance Rights vest as follows if the following conditions are satisfied:</p> <p>(c) the Service Condition; and</p> <p>(d) the relevant Share Price Target is achieved during the Performance Period as set out below:</p> <table border="1" data-bbox="711 1384 1455 1729"> <thead> <tr> <th>Share Price Target*</th> <th>Performance Period</th> <th>Number of Performance Rights that vest</th> </tr> </thead> <tbody> <tr> <td>\$0.10 or greater</td> <td rowspan="3">1 July 2021 to 30 June 2024</td> <td>1,111,111</td> </tr> <tr> <td>\$0.14 or greater</td> <td>1,111,111</td> </tr> <tr> <td>\$0.18 or greater</td> <td>1,111,111</td> </tr> </tbody> </table> <p><i>* The Share Price Target is the volume weighted average market price (as defined in the ASX Listing Rules) of Redflow's shares over any 20 consecutive trading days during the Performance Period. The Board has discretion to take into account any dividends or distributions paid during the relevant Performance Period when determining whether the Share Price Target has been satisfied.</i></p> <p>For the avoidance of doubt, no Performance Right in this Tranche can be exercised until 1 July 2024. Any Performance Rights that have not vested under this Vesting Condition by 30 June 2024 will lapse and be cancelled.</p>	Share Price Target*	Performance Period	Number of Performance Rights that vest	\$0.10 or greater	1 July 2021 to 30 June 2024	1,111,111	\$0.14 or greater	1,111,111	\$0.18 or greater	1,111,111		
Share Price Target*	Performance Period	Number of Performance Rights that vest												
\$0.10 or greater	1 July 2021 to 30 June 2024	1,111,111												
\$0.14 or greater		1,111,111												
\$0.18 or greater		1,111,111												

6.2 Exercise Period

If the Performance Rights vest, the first exercise date for each tranche of Performance Rights is:

- (a) Tranche 1 – the date on which the relevant tranche of Performance Rights vest; and
- (b) Tranches 2 and 3 – 1 July 2024.

The last exercise date for all tranches of Performance Rights is 6 years from the date of grant.

6.3 Managing Director's remuneration

Tim Harris' remuneration package for FY22 comprises:

- (a) **Fixed remuneration** – \$455,000 inclusive of Superannuation;
- (b) **Bonus scheme** – STI up to \$90,000 (or such other amount approved by the Board) subject to satisfactory performance KPIs; and
- (c) **Share based incentives** – 10,000,000 performance rights subject to shareholder approval being obtained (**Performance Rights**).

6.4 Information required by Listing Rule 10.15

Number of performance rights previously issued to Tim Harris under the Plan and the average acquisition price (if any)	Since the last annual general meeting, Redflow issued 11,000,000 performance rights to Tim Harris under the Plan (with Shareholder approval obtained at the 2020 Annual General Meeting). No acquisition price was paid by Tim Harris for the issue of the performance rights.
A summary of the material terms of the Performance Rights	Mr Harris will be granted unlisted Performance Rights. Shares issued on vesting and exercise of the Performance Rights will rank equally in all respects with the fully paid order shares in Redflow.
Explanation of why Performance Rights are being issued	The Board considers that a 3 year incentive opportunity delivered through Performance Rights which vest subject to service and performance to be appropriate to reward the Managing Director for sustainable long term growth. The Performance Rights are aligned to shareholder value creation as a hurdle includes a share price target.
The value Redflow attributes to the Performance rights	See paragraph 6.6
Date by which Performance Rights will be granted	Expected to be issued within 3 months after the date of the Annual General Meeting.
Price of the Performance Rights	Nil
Terms of loan in relation to the grant of Shares	Not applicable

<p>Required Statements</p>	<p>Details of any securities issued under the Plan will be published in the annual report relating to a period in which securities have been issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.</p> <p>Any additional persons (covered by rule 10.14) who become entitled to participate in the Plan after this Resolution 5 is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.</p>
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6.5 Material terms of the Plan

The key terms of the Plan are:

- (a) **Eligibility** – a person is eligible to participate in the Plan if he or she is a full or part-time employee, director, officer, contractor or consultant of the Company who is determined by the Board to be eligible to receive a grant of Performance Rights under the Plan (**Eligible Employees**).
- (b) **Description** – a Plan under which Eligible Employees may become the holder of Performance Rights in the Company.
- (c) **Voluntary participation** – participation in the Plan is voluntary and no Eligible Employee is required to participate in the Plan.
- (d) **Invitation to participate** – the Board may make invitations to any Eligible Employees to apply for up to a specified number of Performance Rights.
- (e) **Performance Rights** – each Performance Rights confers on its holder the entitlement to be provided with one fully paid Share on the exercise of that Performance Right.
- (f) **Exercise of Performance Rights** – a Performance Right can only be exercised where the Performance Conditions attaching to the Performance Right have been satisfied, the Performance Right has not lapsed, the Exercise Price of the Performance Right has been paid and the exercise of the Performance Right will not breach the Company's Constitution, any Company policy, the *Corporations Act 2001* (Cth) or any other application of law.
- (g) **Risks lies with Eligible Employees** – if any Eligible Employees is issued Performance Rights and participates in the Plan, the risk of loss to that Eligible Person as the holder of Performance Rights arising for any reason whatsoever lies with the Eligible Employee.
- (h) **Operation of the Plan** – the Plan is administered by the Board and where the Plan provides for a determination, decision, approval or opinion of the Board or Company (Decision), that Decision may be made or given by the Board in its absolute discretion.
- (i) **Amendments** – The Board may at any time amend, add to, delete, revoke or otherwise vary any or all of the Performance Conditions, terms of issue of the Performance Right or the rules of the Plan at any time in any manner it thinks fit in its absolute discretion. However, it may not do so in a way that would decrease a participant's right to Performance Rights acquired prior to the amendment, unless it's for the purpose of complying with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.
- (j) **Termination** – the Board may suspend or terminate the Performance Rights Plan at any time in its absolute discretion. However, the rules of the plan will continue to apply to any Performance Rights issued under the Plan prior to that suspension or termination.
- (k) **Governing law** – the Plan is governed by the law of Queensland.

6.6 Value of Performance Rights

Each Performance Right will be valued as at the date of grant.

Redflow intends to value the Performance Rights using principles set out in Australian Accounting Standards Board AASB 2 Share Based Payments and the Black Scholes Valuation Methodology for the Performance Rights with non-market vesting conditions (being Tranches 1 and 2) and the Monte Carlo Valuation Methodology for the Performance Rights with market based vesting conditions (being Tranche 3) (**Valuation Methodology**).

The table below provides an example for illustrative purposes of the value of each tranche of Performance Rights using the key inputs contained in the valuation methodology below.

Tranche	Performance Right Value (per Performance Right)	Value per Tranche
Tranche 1	\$0.058	\$193,334
Tranche 2	\$0.058	\$193,334
Tranche 3	For Performance Rights with a share price target of \$0.10: \$0.0465 For Performance Rights with a share price target of \$0.14: \$0.0398 For Performance Rights with a share price target of \$0.18: \$0.0351	\$134,889

Shareholders should be aware that this is indicative only for illustrative purposes. The actual Performance Right value may be different due to differences in the final inputs around the date of grant.

6.7 Valuation Methodology

The application of the Valuation Methodology requires a number of inputs, some of which must be assumed. The key inputs used in the Valuation Methodology are summarised in the table below:

Key Driver	Options	Explanation
Valuation Date	14 October 2021	The grant date for the Performance Rights for accounting purposes will be on or around 14 October 2021.
Share Price	\$0.058	As per the Performance Rights terms, the grant date of the Performance Rights will be on or around 14 October 2021. As the underlying share price of the Performance Rights is contingent on trading data in the future, the closing price as at 31 August 2021 has been adopted as a proxy for the underlying share price.
Share Price Target	Tranche 3 - \$0.10 (Target 1), \$0.14 (Target 2) and \$0.18 (Target 3)	The Performance Rights (market based) have been issued with varying share price hurdle vesting conditions. For share price Target 1 to be met, the Redflow share price must be \$0.10 or greater between 1 July 2021 to 30 June 2024 (based on the 20 day VWAP). For share price Target 2 to be met, the Redflow share price must be \$0.14 or greater between 1 July 2021 to 30 June 2024 (based on the 20 day VWAP). For share price Target 3 to be met, the Redflow share price must be \$0.18 or greater between 1 July 2021 to 30 June 2024 (based on 20 day VWAP).

Exercise Price	\$Nil	As per the terms of the Performance Rights, all Tranches have an exercise price equal to \$Nil.
Volatility of Share Price	85.0%	Based on information which includes the historic volatility of the Company.
Risk Free Rate	0.19%	Based on information including the yield of 3 year Australian Government bonds as at 1 September 2021.
Time to Maturity	2.71 years	Calculated as the period of time from the grant date to the expected exercise date for the Performance Rights assuming Performance Rights are exercised once vested.
Annual Dividend Yield	Nil%	Nil as Redflow currently does not pay dividends.

6.8 Impact on capital structure

Until exercised, the grant of Performance Rights will not impact on the number of ordinary shares on issue in Redflow. If all the proposed Performance Rights were exercised, an additional 10,000,000 fully paid ordinary shares may be issued, representing approximately 0.72% of the total issued share capital as at the date of this Notice of Meeting (assuming that no other securities were exercised or shares issued by Redflow between the date of this Notice of Meeting and the date the Performance Rights are exercised).

6.9 Tax consequences

As far as Redflow is aware, there are no adverse taxation consequences to Redflow arising from the proposed grant of Performance Rights.

6.10 Directors' recommendations

Please note that voting exclusions apply to Resolution 5 – please see the voting exclusions in the notes to Resolution 5.

The Directors (with Mr Harris abstaining) recommend that Shareholders vote in favour of Resolution 5.

7 Resolutions 6 to 9 – Grant of Options to Directors

7.1 Proposed Grant

It is proposed to seek shareholder approval for the grant a total of 10,826,667 options to the Directors as follows:

Director	Number of Options
Brett Johnson	4,166,667
David Knox	2,220,000
David Brant	2,220,000
John Lindsay	2,220,000

7.2 Current director remuneration

Each Director's remuneration for FY22 is expected to be as follows:

Director	Salary and fees	Superannuation	Proposed number of options
Brett Johnson	\$100,000	\$10,000	4,166,667
David Knox	\$53,280	\$5,328	2,220,000
David Brant	\$53,280	\$5,328	2,220,000
John Lindsay	\$53,280	\$5,328	2,220,000

7.3 Summary of the material terms of the options

The Options will be issued on the terms and conditions set out in the Redflow Share and Option Plan. The other material terms of the options are:

Issue Price	Nil
Exercise Price	\$0.10
Performance conditions	No performance conditions apply to the options in accordance with ASX Corporate Governance Principles and Recommendations (4 th edition) which states that non-executive directors generally should not receive options with performance hurdles attached as it may lead to bias in their decision making and compromise their objectivity.
Exercise Conditions	Each Director must be a director of Redflow at the time of exercise of an option.
Last Exercise Date	14 October 2024

7.4 Other information required under Listing Rule 10.15

The number of securities that have previously been issued to Directors under the Redflow Share and Option Plan and the average acquisition price (if any) paid by each Director for those securities	<p>Since the last approval for each Director under Listing Rule 10.14, the participating directors have received the following securities under the Redflow Share and Option Plan:</p> <p>Brett Johnson</p> <p>(a) 21 January 2020 - 109,455 Shares in lieu of net Director's fees of \$5,418.00 (for the period of 1 October to 31 December 2019);</p> <p>(b) 16 June 2020 – 148,026 Shares in lieu of net Director's fees of \$5,417.75 (for the period of 1 January to 31 March 2020);</p> <p>David Knox</p> <p>(a) 21 January 2020 - 109,455 Shares in lieu of net Director's fees of \$5,418.00 (for the period of 1 October to 31 December 2019);</p> <p>(b) 16 June 2020 – 148,026 Shares in lieu of net Director's fees of \$5,417.75 (for the period of 1 January to 31 March 2020);</p>
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	<p>David Brant:</p> <p>(a) 21 January 2020 - 109,455 Shares in lieu of net Director's fees of \$5,418.00 (for the period of 1 October to 31 December 2019);</p> <p>(b) 16 June 2020 – 148,026 Shares in lieu of net Director's fees of \$5,417.75 (for the period of 1 January to 31 March 2020);</p> <p>John Lindsay (through his nominee Adelaide Internet Pty Ltd)</p> <p>(a) 21 January 2020 – 93,576 Shares in lieu of net Director's fees of \$4,632.00 (for the period of 1 October to 31 December 2019)</p> <p>(b) 16 June 2020 – 126,552 Shares in lieu of net Director's fees of \$4,631.80 (for the period of 1 January to 31 March 2020);</p> <p>The acquisition price average was \$0.04305. The volume weighted average price of Redflow's shares traded in the relevant quarter to which the issues were made were \$0.0495 per share (quarters ended 31 December 2019) and \$0.0366 per share (quarters ended 31 March 2020).</p>
<p>A summary of the material terms of the options</p>	<p>See paragraph 7.3</p>
<p>Explanation of why options are being issued</p>	<p>The issue of options is considered appropriate to more closely align the interests of non-executive directors with those of other shareholders. It is also considered appropriate as all non-executive directors agreed to fee reductions in 2020 and 2021 during the worst of the pandemic recession. Shareholders should note that the exercise price is the same as for the attaching options issued to shareholders who participated in the 2021 Entitlement Offer.</p>
<p>The value Redflow attributes to the options</p>	<p>See paragraph 7.5</p>
<p>Date by which options will be granted</p>	<p>Expected to be issued on or about 15 October 2021 but in any event within 12 months after the date of the Annual General Meeting.</p>
<p>Terms of loan in relation to the grant of Shares</p>	<p>Not applicable</p>
<p>Required Statements</p>	<p>Details of any securities issued under the Plan will be published in the annual report relating to a period in which securities have been issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.</p> <p>Any additional persons (covered by rule 10.14) who become entitled to participate in the Plan after these Resolutions 6 to 9 are approved and who are not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.</p>

7.5 Value of Options

Each option will be valued as at the date of grant. Redflow intends to value the options using principles set out in Australian Accounting Standards Board AASB 2 Share Based Payments and the Black Scholes Valuation Methodology.

Based on the valuation methodology inputs set out in clause 7.6, the option value is \$0.024 per option. Shareholders should be aware that this is indicative only for illustrative purposes. The actual option value may be different due to differences in the final inputs around the date of grant.

7.6 Valuation Methodology

The application of the valuation methodology requires a number of inputs, some of which must be assumed. The key inputs used in the valuation methodology are summarised in the table below:

Key Driver	Options	Explanation
Valuation Date	15 October 2021	The grant date for the options for accounting purposes will be on or around 15 October 2021.
Share Price	\$0.058	As per the option terms, the grant date of the option will be on or around 15 October 2021. As the underlying share price of the options is contingent on trading data in the future, the closing price as at 31 August 2021 has been adopted as a proxy for the underlying share price.
Exercise Price	\$0.10	All options have an exercise price of \$0.10.
Volatility of Share Price	85.6%	Based on information which includes the historic volatility of the Company over a 2 and 3 year period.
Risk Free Rate	0.246%	Based on information including the yield of 3 year Australian Government bonds as at 31 August 2021.
Time to Maturity	3 years	Calculated as the period of time from the grant date to the expected exercise date for the options assuming options are exercised once vested.
Annual Dividend Yield	Nil%	Nil as Redflow currently does not pay dividends.

7.7 Summary of material terms of the Redflow Share and Option Plan (ESOP Plan Rules)

The key terms of the ESOP Plan Rules are:

- (a) **Eligibility** – a person is eligible to participate in the plan if he or she is a director, officer, employee or contractor of a Redflow group company (each an **Eligible Person**).
- (b) **Description** – a plan under which Eligible Persons may become holders of Shares and Options in Redflow.
- (c) **Voluntary participation** – participation in the plan by Eligible Persons is voluntary and no Eligible Person is required to participate in the plan.

- (d) **Invitations to participate** – the Board may make invitations to any Eligible Person at any time.
- (e) **Ranking of Shares** – Shares issued under the plan will rank equally with all existing Shares then on issue on and from the date of issue in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.
- (f) **Risk lies with Eligible Person** – If an Eligible Person is issued Shares or Options and participates in the plan, the risk of loss to that Eligible Person as the holder of Shares and Options arising for any reason whatsoever including from the Shares or Options falling in value lies with the Eligible Person.
- (g) **Operation of the plan** – the plan is administered by the Board and where the ESOP Plan Rules provide for a determination, decision, approval or opinion of the Board or Redflow (**Decision**), that Decision may be made or given by the Board in its absolute discretion.
- (h) **Amendments** – The Board may at any time amend any of the ESOP Plan Rules or waive or modify the application of the ESOP Plan Rules in relation to any participant. However, it may not do so in a way that would decrease a Participant's rights to shares or to dividends or other money unless it first obtains the approval of not less than 75% of the participants whose rights would be decreased.
- (i) **Termination** – The Board may terminate the plan at any time in its absolute discretion. Termination of the plan does not affect the rights under this plan of participants in respect of applications to participate which have been accepted by Redflow and notified to the participant.
- (j) **Governing law** – the plan is governed by the law of Queensland.

7.8 Directors' recommendations

Please note that voting exclusions apply to Resolutions 6 to 9 – please see the voting exclusions in the notes to Resolutions 6 to 9.

The Directors (with each Director abstaining in relation to their respective resolution) recommend that Shareholders vote in favour of Resolutions 6 to 9.

8 Resolution 10 – Adoption of new Constitution

8.1 Background

The Board wishes to take this opportunity to adopt a new constitution to reflect amendments to corporate governance principles and the ASX Listing Rules since the Company adopted its current constitution in 2010.

The following is a summary of the updated provisions in the constitution. The summary is not exhaustive and is not a definitive statement of the rights and liabilities of the shareholders of the Company.

A full copy of the proposed new constitution is available on request from Redflow and can be viewed on Redflow's website at <https://redflow.com/proposed-constitution/>.

8.2 Key updates

The key updates include:

- (a) **Direct voting** - new rules to allow shareholders to vote directly on resolutions considered at general meeting by submitting their votes to the Company or share registry. This means a shareholder's votes can still be counted even where they cannot attend personally and do not appoint a proxy. Shareholders will continue to be entitled to appoint proxies and attorneys if they wish even if there is direct voting at future meetings;
- (b) **Directors' retirement by rotation** – it is proposed that the requirement that directors retire from office periodically and seek re-election be amended to provide greater consistency with common corporate practice and the Listing Rules. The Listing Rules require directors to retire at the third Annual General Meeting after their appointment or after three years, whichever is longer. The constitution will no longer require one-third of the directors to retire each year;
- (c) **Dividends** – changes have been made throughout (relating to dividends and reserves) of the constitution to permit the Board to declare or determine dividends. This reflects the provisions of the Corporations Act that contemplate that dividends may be declared or determined; and
- (d) **Indemnity** – Redflow's current constitution provides for mandatory indemnification of officers of the Company. Amendments are proposed to include permissive (rather than mandatory) indemnity provisions in the new constitution, allowing Redflow greater flexibility to determine the terms on which it indemnifies its officers. This avoids the potential conflict that could arise from overlap between the broad provisions in the current constitution, and the particular terms of deeds of indemnity that Redflow enters into from time to time;
- (e) **Nomination period for 'external' director candidates** – Redflow's current constitution provides that no person other than a retiring director is eligible to be elected unless a notice of the director's candidature is received at least 30 business days before the relevant meeting.

The new constitution requires that nominations by director candidates must be received by Redflow no later than 45 business days, and no more than 90 business days, before the relevant general meeting. Where the meeting is one that has been called at the request of shareholders (rather than a general meeting convened by directors such as an AGM), nominations may be received no later than 30 business days before the relevant meeting. This enables Redflow to be in a position to provide proper disclosure to all shareholders in respect of the candidates, in the notice distributed to shareholders ahead of the relevant meeting;

- (f) **Currency** – the proposed constitution allows the Board to differentiate between members as to the currency in which any amount is payable to a member and determine to pay a distribution in a currency other than Australian dollars. The existing constitution does not allow this; and
- (g) **General updates** – Rules which are now outdated have been removed and the provisions of the constitution have been amended to reflect changed in terminology now contained in the Corporations Act, ASX Listing Rules and other applicable laws.

8.3 Special resolution

Resolution 10 is a special resolution and therefore requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person online, by proxy, by attorney, in the case of a corporate shareholder, by a corporate representative).

8.4 Directors' Recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 10.

9 Background to Resolutions 11 and 12 – Issue of shares to New Technology Capital Group, LLC

9.1 Overview

On 24 June 2021, Redflow announced a capital raising to support growth which comprised:

- (a) an institutional investment of \$5 million from US-based New Technology Capital Group, LLC (**Investor**) (with an opportunity for an additional \$5 million by mutual consent of Redflow and the Investor); and
- (b) pro-rata non-renounceable entitlement offer which raised \$9.7 million (before costs).

9.2 Institutional Investment

On 24 June 2021, Redflow entered into an institutional share placement agreement (**Institutional Agreement**) with the Investor. Pursuant to the Institutional Agreement, the Investor invested \$5 million in Redflow (**Institutional Investment**), and in return for that investment, Redflow agreed to issue fully paid ordinary shares in Redflow (**Shares**) with an aggregate subscription price of \$5.3 million (**Subscription Shares**).

Redflow will issue Subscription Shares, at the Investor's request, within 18 months of the date of the Institutional Investment. The number of Subscription Shares to be issued will be determined by applying the relevant purchase price to the subscription amount, but subject to a floor price. Further details regarding the Institutional Agreement are set out in the announcement (titled '*Redflow Undertakes Capital Raising to Support Growth*') released by the Company to ASX on 24 June 2021. References to the Investor in this Notice include any designee or nominee of the Investor.

On 25 June 2021, Redflow issued 16,800,000 Shares (**Initial Subscription Shares**) to the Investor, in consideration of the Investor's agreement to undertake the Institutional Investment. Under the Institutional Agreement, the Initial Subscription Shares will either, at the Investor's election at any time, (i) be applied towards some or all of the aggregate number of Subscription Shares to be issued under the Institutional Agreement, and therefore reduce the number of Subscription Shares Redflow would otherwise be required to issue, or (ii) alternatively, not be applied towards the aggregate number of Subscription Shares to be issued under the Institutional Agreement, and instead the Investor will make an additional payment to Redflow. If the Investor elects to make such a payment, the amount payable will be equal to the number of Initial Subscription Shares not so applied multiplied by the five daily volume weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date on which the payment is to be made, less a 2.5% discount (rounded down to the nearest one tenth of a cent if the share price is at \$0.10 or below, half a cent if the share price is at above \$0.10 and at \$0.20 or below, or whole cent if the share price is above \$0.20).

Redflow seeks ratification of the issue of the Initial Subscription Shares issued under Redflow's placement capacity under Listing Rule 7.1 in **Resolution 11**.

An additional investment of up to \$5 million for Subscription Shares worth \$5 million may be undertaken by mutual consent of Redflow and the Investor within three years of the Institutional Agreement. Redflow is under no obligation to draw down on this investment and the Investor is under no obligation to provide it.

9.3 Investment Fee Shares

On 25 June 2021, Redflow issued 3,903,810 shares to the Investor in satisfaction of a \$250,000 fee payable to the Investor under the terms of the Institutional Investment (**Investment Fee Shares**). Redflow is seeking ratification of the prior issue of the Investment Fee Shares issued under Redflow's placement capacity under Listing Rule 7.1 in **Resolution 12**.

9.4 Regulatory requirements

In general terms and subject to a number of exceptions, Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by the Company without Shareholder approval in any 12 month period.

As the Initial Subscription Shares and Investment Fee Shares do not fit within any of exceptions and were issued without prior Shareholder approval, they reduce the Company's 15% placement capacity pursuant to Listing Rule 7.1 (**15% Placement Capacity**).

Listing Rule 7.4 provides that an issue of shares made by a company without the prior approval of Shareholders may be treated as having been made with Shareholder approval if:

- (a) at the time the issue took place, it did not breach Listing Rule 7.1; and
- (b) the shareholders of the company, in general meeting, subsequently ratify the issue of the shares.

The issue of the Initial Subscription Shares and the Investment Fee Shares was made in accordance with Listing Rules 7.1, accordingly the Company seeks Shareholder ratification for the Initial Subscription Shares and Investment Fee Shares issued under Listing Rule 7.1, in accordance with Listing Rule 7.4.

9.5 **Effect of shareholder ratification (information required under Listing Rule 14.1A)**

If Resolutions 11 and 12 are passed, the issue of the Initial Subscription Shares and Investment Fee Shares will not reduce the Company's 15% Placement Capacity, essentially increasing the number of equity securities the Company can issue under its placement capacity to 15%.

If Resolutions 11 and 12 are not passed, the issue of the Initial Subscription Shares and Investment Fee Shares will be included in calculating the Company's 15% Placement Capacity, effectively reducing the number of securities it can issue without shareholder approval over the 12 month period following the issue date (being 25 June 2021).

10 **Resolution 11 – Ratification of the prior issue of Initial Subscription Shares to New Technology Capital Group, LLC**

10.1 **Background**

The background to the Institutional Investment and issue of the Initial Subscription Shares is set out in paragraph 9.

Pursuant to the Institutional Agreement, on 25 June 2021, the Company issued 16,800,000 Initial Subscription Shares to the Investor, in consideration of the Investor's agreement to undertake the Institutional Investment. As noted in paragraph 9.2, some or all of the Initial Subscription Shares may be applied towards the aggregate number of Subscription Shares to be issued under the Institutional Agreement. The Initial Subscription Shares were issued under the Company's 15% placement capacity pursuant to Listing Rule 7.1 (**15% Placement Capacity**).

10.2 **Information required by Listing Rule 7.5**

The following information is required by ASX Listing Rule 7.5 for the purposes of Shareholder ratification under ASX Listing Rule 7.4:

Number of Initial Subscription Shares allotted	16,800,000 Initial Subscription Shares
The basis on which allottees were determined	The shares were allotted to the Investor, who is not a related party of the Company.
The terms of the Initial Subscription Shares issued	The Initial Subscription Shares are fully paid ordinary shares in the capital of the Company that rank pari passu and form one class with all other ordinary shares of the Company.
The date the Initial Subscription Shares were issued	25 June 2021

Price at which Initial Subscription Shares were issued	<p>The Initial Subscription Shares were issued in consideration of the Investor’s agreement to undertake the Institutional Investment (and therefore for no cash consideration).</p>
	<p>As set out in paragraph 9.2, in accordance with the terms of the Institutional Agreement, the Investor may elect to apply some or all of the Initial Subscription Shares towards the aggregate number of Subscription Shares which are required to be issued by the Company, or, alternatively, make the payment to the Company in respect of the Initial Subscription Shares calculated as set out in paragraph 9.2.</p>
The use (or intended use) of the funds raised	<p>The Initial Subscription Shares were issued to satisfy the Company’s obligations under the Institutional Agreement, and therefore, no funds were raised from the issue of the Initial Subscription Shares. However, funds received from the Institutional Investment were or will be used to support:</p>
	<ul style="list-style-type: none"> • current business development opportunities, and increased business development activities to grow the pipeline of potential future projects, including building a presence in the US; • completion of Gen3 battery development and its introduction into production in Thailand; • ramp up of manufacturing to significant increase current capacity and the introduction of automation of key processes as demand grows; • successful execution of key current projects; • core R&D with a focus on identification and testing of new materials and suppliers to drive down cost and improve core battery performance; and • general working capital requirements.
Voting exclusion statement	<p>A voting exclusion applies to this resolution – please see the notes to Resolution 11.</p>

10.3 Directors' Recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 11.

11 Resolution 12 – Ratification of prior issue of Investment Fee Shares to New Technology Capital Group, LLC

11.1 Background

The background to the Institutional Investment and issue of the Investment Fee Shares is set out in paragraph 9.

Pursuant to the Institutional Agreement, on 25 June 2021, the Company issued 3,903,810 Investment Fee Shares to the Investor in satisfaction of a \$250,000 fee payable to the Investor in connection with the Institutional Investment. The Investment Fee Shares were issued under the Company's 15% placement capacity pursuant to Listing Rule 7.1 (**15% Placement Capacity**).

11.2 Information required by Listing Rule 7.5

The following information is required by ASX Listing Rule 7.5 for the purposes of Shareholder ratification under ASX Listing Rule 7.4:

Number of Investment Fee Shares allotted	3,903,810 Investment Fee Shares
Price at which Investment Fee Shares were issued	The Investment Fee Shares were issued at a deemed issue price of \$0.064 per share.
The basis on which allottees were determined	The shares were allotted to the Investor, who is not a related party of the Company.
The terms of the Investment Fee Shares issued	The Investment Fee Shares are fully paid ordinary shares in the capital of the Company that rank pari passu and form one class with all other ordinary shares of the Company.
The date the Investment Fee Shares were issued	25 June 2021
The use (or intended use) of the funds raised	The Investment Fee Shares were issued to satisfy the Company's obligations under the Institutional Agreement in respect of the payment of a fee of \$250,000 to the Investor.
Voting exclusion statement	A voting exclusion applies to this resolution – please see the notes to Resolution 12.

11.3 Directors' Recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 12.

12 Background to Resolutions 13 to 14 – Issue of securities to FUND4SE

12.1 Overview

On 25 August 2021, Redflow announced that, subject to shareholder approval, it had entered into an agreement with FUND4SE Pte. Ltd (**FUND4SE**) to assist Redflow in pursuing and maximising the US market opportunity from having been named in a Request for Information issued by a large listed US corporate as an approved supplier of flow batteries on a preliminary basis (**RFI**).

FUND4SE is a venture capital fund for sustainability and energy based in Singapore and licenced by the Monetary Authority of Singapore (Capital Markets Licence #CMS100808) and has been working with the RFI issuer in relation to procurement of the project (**Project**),

Under the agreement, FUND4SE will assist Redflow with the following in relation to the Project:

- introductions to Project stakeholders including the project principal, project developer, EPCM contractor and other technology suppliers;
- Underwriter Laboratories certification, initial pilots and technical due diligence; and
- review and analysis of potential manufacturing locations in the US including funding requirements.

Under the terms of the agreement, FUND4SE must subscribe for and be issued the following tranches of securities:

- (a) **Tranche 1 Shares and Attaching Options** – the issue of 8,474,576 Shares at A\$0.059 per Share to raise \$500,000 and 8,474,576 Attaching Options on the terms and conditions set out in Redflow's prospectus dated 24 June 2021. Redflow seeks approval of the issue of the Tranche 1 Shares and Attaching Options in **Resolution 13**;
- (b) **Tranche 2 Options** – the issue of 100,000,000 options, exercisable at A\$0.08 per option and on the terms and conditions set out in **Annexure A**. Redflow seeks approval of the issue of the Tranche 2 Options issued under Redflow's placement capacity under Listing Rule 7.1 in **Resolution 14**; and
- (c) **Tranche 3 Options** – the issue of 55,000,000 options, exercisable at A\$0.10 per option and on the terms and conditions set out in **Annexure B**. Redflow seeks approval of the issue of the Tranche 3 Options issued under Redflow's placement capacity under Listing Rule 7.1 in **Resolution 15**,

(the Tranche 1 Shares, Attaching Options, Tranche 2 Options and Tranche 3 Options together the **FUND4SE Securities**).

12.2 Other material terms of the agreement

The material terms of the agreement are set out in the announcement to the market made on 25 August 2021 titled '*US market opportunity – further engagement*'.

12.3 Interdependent resolutions

Resolutions 13 to 15 are interdependent, that is, if one of Resolutions 13 to 15 is not passed, then none of them will take effect and the Investment Agreement will not proceed.

12.4 Regulatory requirements

In general terms and subject to a number of exceptions, Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by the Company without Shareholder approval in any 12 month period.

The Tranche 1 Shares and Attaching Options will be sourced from the shortfall arising out of the non-renounceable pro-rata entitlement offer set out in the Prospectus. Accordingly, the issue of the Tranche 1 securities fall within exception 3 of Listing Rule 7.2. However, as Resolutions 13 to 15 are

interdependent, shareholder approval is also being sought for the Tranche 1 Shares and Attaching Options.

The Tranche 2 Options and Tranche 3 Options (together, the **Investment Options**) do not fit within any of exceptions, accordingly, they will reduce the Company's 15% Placement Capacity.

Accordingly the Company seeks Shareholder approval for the Tranche 2 Options and Tranche 3 Options under Listing Rule 7.1.

12.5 **Effect of shareholder approval (information required under Listing Rule 14.1A)**

If Resolutions 13 to 15 are passed, Redflow will be able to proceed with the issue of the FUND4SE Securities and the FUND4SE Securities will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolutions 13 to 15 are not passed, the Company will not be able to proceed with the issue of the FUND4SE Securities or may not be able to proceed to the extent originally anticipated.

13 Resolution 13 – Issue of Tranche 1 Shares and Attaching Options to FUNDS4SE

13.1 **Background**

The background to the grant of the Tranche 1 Shares and Attaching Options is set out in paragraph 12.

Under the Investment Agreement and subject to shareholder approval, the Company proposes to issue 8,474,576 Tranche 1 Shares and 8,474,576 Attaching Options to FUNDS4SE.

13.2 **Information required by Listing Rule 7.3**

The following information is required by ASX Listing Rule 7.3 for the purposes of Shareholder approval under ASX Listing Rule 7.1:

Number of securities to be issued	<ul style="list-style-type: none"> • 8,474,576 Tranche 1 Shares • 8,474,576 Attaching Options
Material terms of the Tranche 1 Shares	Fully paid ordinary shares ranking equally with all other shares on issue.
Material terms of the Attaching Options	Please see Annexure A
The basis on which the grantees will be identified or selected	The Tranche 1 Shares and Attaching Options will be issued to FUND4SE or its nominee(s).
The date the Tranche 1 Shares and Attaching Options will be issued	The Tranche 1 Shares and Attaching Options will be issued no later than 3 months after the date of the AGM (or such later date to the extent permitted by any ASX waiver or modification of the listing rules).
The price or other consideration the entity will receive for the Tranche 1 Shares	The issue price is \$0.059 per Tranche 1 Shares
The price or other consideration the entity will receive for the Attaching Options	The issue price is \$Nil per Attaching Options but the Attaching Options are being granted to FUND4SE in consideration for services to be provided by FUND4SE.

The purpose of the issue and the use (or intended use) of the funds raised	<p>Funds raised on issue of the Tranche 1 Shares will be used for working capital and general corporate purposes.</p> <p>No funds will be raised on the issue of the Attaching Options. Funds raised on exercise of the Attaching Options will be used for working capital and general corporate purposes.</p>
Other information	<ul style="list-style-type: none"> • The Tranche 1 Shares and Attaching Options are being issued under the Investment Agreement – please see paragraph 12.2 for material terms of the Investment Agreement. • The Tranche 1 Shares and Attaching Options are not being issued under, or to fund, a reverse takeover.
Voting exclusion statement	A voting exclusion applies to this resolution – please see the notes to Resolution 13.

13.3 Directors' Recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 13.

14 Resolution 14 – Grant of Tranche 2 Options to FUNDS4SE

14.1 Background

The background to the grant of the Tranche 2 Options is set out in paragraph 12.

Under the Investment Agreement and subject to shareholder approval, the Company proposes to issue up to 100,000,000 Tranche 2 Options, exercisable at A\$0.08 per Tranche 2 Option.

14.2 Exercise Conditions

The Tranche 2 Options will vest if definitive legal contracts to supply a specific commercial-in-confidence project with Redflow batteries representing a minimum of 10MWh of energy storage to be delivered over a maximum of 24 months after the date of the contract are entered into by Redflow by no later than 18 months after the date of Redflow shareholder approval.

14.3 Information required by Listing Rule 7.3

The following information is required by ASX Listing Rule 7.3 for the purposes of Shareholder approval under ASX Listing Rule 7.1:

Number of Tranche 2 Options	100,000,000 Tranche 2 Options
Material terms of the Tranche 2 Options	Please see Annexure B
The basis on which the grantees will be identified or selected	The Tranche 2 Options will be issued to FUND4SE or its nominee(s).

The date the Tranche 2 Options will be issued	The Tranche 2 Options will be issued no later than 3 months after the date of the AGM (or such later date to the extent permitted by any ASX waiver or modification of the listing rules).
The price or other consideration the entity will receive for the Tranche 2 Options	The issue price is \$Nil per Tranche 2 Option but the Tranche 2 Options are being granted to FUND4SE in consideration for services to be provided by FUND4SE.
The purpose of the issue and the use (or intended use) of the funds raised	No funds will be raised on the issue of the Tranche 2 Options. Funds raised on exercise of the Tranche 2 Options will be used for working capital and general corporate purposes.
Other information	<ul style="list-style-type: none"> • The Tranche 2 Options are being issued under the Investment Agreement – please see paragraph 12.2 for material terms of the Investment Agreement. • The Tranche 2 Options are not being issued under, or to fund, a reverse takeover.
Voting exclusion statement	A voting exclusion applies to this resolution – please see the notes to Resolution 14.

14.4 Directors' Recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 14.

15 Resolution 15 – Grant of Tranche 3 Options to FUNDS4SE

15.1 Background

The background to the grant of the Tranche 3 Options is set out in paragraph 12.

Under the Investment Agreement and subject to shareholder approval, the Company proposes to issue up to 55,000,000 Tranche 3 Options, exercisable at A\$0.10 per Tranche 3 Option.

15.2 Exercise Condition

The Tranche 3 Options will vest if definitive legal contracts to supply a specific commercial-in-confidence project with Redflow batteries representing a minimum of 50MWh of energy storage to be delivered over a maximum of 24 months after the date of the contract are entered into by Redflow by no later than 30 months after the date of Redflow shareholder approval.

15.3 Information required by Listing Rule 7.3

The following information is required by ASX Listing Rule 7.3 for the purposes of Shareholder approval under ASX Listing Rule 7.1:

Number of Tranche 3 Options	55,000,000 Tranche 3 Options
Material terms of the Tranche 3 Options	Please see Annexure C
The basis on which the grantees will be identified or selected	The Tranche 3 Options will be issued FUND4SE or its nominee(s).
The date the Tranche 3 Options will be issued	The Tranche 3 Options will be issued no later than 3 months after the date of the AGM (or such later date to the extent permitted by any ASX waiver or modification of the listing rules).
The price or other consideration the entity will receive for the Tranche 3 Options	The issue price is \$Nil per Tranche 3 Option but the Tranche 3 Options are being granted to FUND4SE in consideration for services to be provided by FUND4SE.
The purpose of the issue and the use (or intended use) of the funds raised	No funds will be raised on the issue of the Tranche 3 Options. Funds raised on exercise of the Tranche 3 Options will be used for working capital and general corporate purposes.
Other information	<ul style="list-style-type: none"> The Tranche 3 Options are being issued under the Investment Agreement – please see paragraph 12.2 for material terms of the Investment Agreement. The Tranche 3 Options are not being issued under, or to fund, a reverse takeover.
Voting exclusion statement	A voting exclusion applies to this resolution – please see the notes to Resolution 15.

15.4 Directors' Recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 15.

Annexure A – Terms and conditions of grant (Attaching Options)

Entitlement

- 1 Subject to and conditional upon any adjustment in accordance with these conditions, each Attaching Option entitles the holder to subscribe for one fully paid Share upon payment of the Exercise Price.

Exercise Price

- 2 The exercise price is for the Attaching Options is \$0.10 per Attaching Option (**Exercise Price**).

Exercise Period

- 3 An Attaching Option is exercisable at any time on or before 5:00pm (Sydney time) on 30 July 2022 (**Exercise Date**). Attaching Options not exercised by the Exercise Date lapse.

Manner of exercise of Attaching Options

- 4 Each Attaching Option may be exercised by notice in writing addressed to the Company's registered office. The minimum number of Attaching Options that may be exercised at any one time is the lower of 10,000 or if the remaining balance is less than 5,000 Attaching Options, then that remaining balance. Payment of the Exercise Price for each Attaching Option must accompany each notice of exercise of Attaching Options. All cheques must be payable to the Company and be crossed 'not negotiable'.

Ranking of Shares

- 5 Shares issued on the exercise of Attaching Options will rank equally with all existing Shares on and from the date of issue in respect of all entitlement offers, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.

Timing and issue of Shares

- 6 After an Attaching Option is validly exercised, the Company must within 5 business days after the end of the calendar month in which the Attaching Option was exercised:
 - (a) issue and allot the Share; and
 - (b) do all such acts, matters and things to obtain the grant of quotation for the Shares on ASX no later than 5 business days from the date of exercise of the Attaching Option.

Attaching Options transferrable

- 7 Attaching Options may be transferred in the same manner as Shares and may be exercised by any other person or body corporate.

Participation in new issues

- 8 An Attaching Option holder may participate in new issues of securities to holders of Shares only if and to the extent that:
 - (a) an Attaching Option has been exercised; and
 - (b) a Share has been issued in respect of the exercise before the record date for determining entitlements to the new issue.

Adjustment for bonus issues of Shares

- 9 If the Company makes a bonus issues of shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on exercise of the Attaching Option will be increased by the number of Shares which the Attaching Option holder would have received if the Attaching Option holder had exercised the Attaching Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.

Reconstructions

- 10 If at any time the issued capital of the Company is reconstructed, all rights of a holder of an Attaching Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

Annexure B – Terms and conditions of grant (Tranche 2 Options)

Entitlement

- 1 Subject to and conditional upon any adjustment in accordance with these conditions, each Tranche 2 Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) upon payment of the Exercise Price.

Exercise Price

- 2 The Exercise Price of each Tranche 2 Option is \$0.08 (**Exercise Price**).

Exercise Period

- 3 A Tranche 2 Option is exercisable at any time on or before 5.00pm (Brisbane time) on the date which is 1 month after the Tranche 2 Option Exercise Condition is satisfied (the **Expiry Date**). Options not exercised by the Expiry Date lapse.

Manner of exercise of Tranche 2 Options

- 4 Each Tranche 2 Option may be exercised by notice in writing addressed to the Company's registered office. The minimum number of Options that may be exercised at any one time is the lower of 100,000 or if the remaining balance is less than 100,000 Tranche 2 Options, then that remaining balance. Payment of the Exercise Price for each Tranche 2 Option must be made in Immediately Available Funds and accompany each notice of exercise of Tranche 2 Options. All cheques must be payable to the Company and be crossed 'not negotiable'.

Ranking of Shares

- 5 Shares issued on the exercise of Tranche 2 Options will rank equally with all existing shares on and from the date of issue in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those shares

Timing of issue of shares

- 6 After a Tranche 2 Option is validly exercised, the Company must within 5 Business Days after the Tranche 2 Option is exercised issue and allot the Shares and do all such acts, matters and things to obtain the grant of quotation for the Shares on ASX no later than 5 Business Days from the date of exercise of the Tranche 2 Option.

Options transferrable

- 7 Tranche 2 Options may be transferred in the same manner as Shares and may be exercised by any other person or body corporate.

Participation in new issues

- 8 A Tranche 2 Option holder may participate in new issues of securities to holders of shares only if and to the extent that a Tranche 2 Option has been exercised and a share has been issued in respect of the exercise before the record date for determining entitlements to the new issue.

Adjustment for bonus issues of shares

- 9 If the Company makes a bonus issues of shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (a) the number of Shares which must be issued on exercise of the Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Tranche 2 Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.

Reconstructions

- 10 If at any time the issued capital of the Company is reconstructed, all rights of a holder of a Tranche 2 Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

Annexure C – Terms and conditions of grant (Tranche 3 Options)

Entitlement

- 1 Subject to and conditional upon any adjustment in accordance with these conditions, each Tranche 3 Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) upon payment of the Exercise Price.

Exercise Price

- 2 The Exercise Price of each Tranche 3 Option is \$0.10 (**Exercise Price**).

Exercise Period

- 3 A Tranche 3 Option is exercisable at any time on or before 5.00pm (Brisbane time) on the date which is 1 month after the Tranche 3 Option Exercise Condition is satisfied (the **Expiry Date**). Options not exercised by the Expiry Date lapse.

Manner of exercise of Tranche 3 Options

- 4 Each Tranche 3 Option may be exercised by notice in writing addressed to the Company's registered office. The minimum number of Options that may be exercised at any one time is the lower of 100,000 or if the remaining balance is less than 100,000 Tranche 3 Options, then that remaining balance. Payment of the Exercise Price for each Tranche 3 Option must be made in Immediately Available Funds and accompany each notice of exercise of Tranche 3 Options. All cheques must be payable to the Company and be crossed 'not negotiable'.

Ranking of Shares

- 5 Shares issued on the exercise of Tranche 3 Options will rank equally with all existing shares on and from the date of issue in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those shares

Timing of issue of shares

- 6 After a Tranche 3 Option is validly exercised, the Company must within 5 Business Days after the Tranche 3 Option is exercised issue and allot the Shares and do all such acts, matters and things to obtain the grant of quotation for the Shares on ASX no later than 5 Business Days from the date of exercise of the Tranche 3 Option.

Options transferrable

- 7 Tranche 3 Options may be transferred in the same manner as Shares and may be exercised by any other person or body corporate.

Participation in new issues

- 8 A Tranche 3 Option holder may participate in new issues of securities to holders of shares only if and to the extent that a Tranche 3 Option has been exercised and a share has been issued in respect of the exercise before the record date for determining entitlements to the new issue.

Adjustment for bonus issues of shares

- 9 If the Company makes a bonus issues of shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (a) the number of Shares which must be issued on exercise of the Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Tranche 3 Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.

Reconstructions

- 10 If at any time the issued capital of the Company is reconstructed, all rights of a holder of a Tranche 3 Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.