



FLUENCE CORPORATION LIMITED (ACN 127 734 196)

NOTICE OF ANNUAL GENERAL MEETING

TIME: 4.00pm (AEST)

DATE: Wednesday 22 May 2019

PLACE: Lander & Rogers
Level 12, 600 Bourke St,
Melbourne, Victoria, 3000
Australia

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

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

18 April 2019

Dear Fluence Shareholder,

On behalf of the Board of Directors of Fluence Corporation Limited (**Fluence** or the **Company**), we are pleased to present the Company's 2018 Annual Report and Notice of Annual General Meeting (**AGM**), noting that our AGM is to be held on Wednesday, 22 May 2019 in Melbourne, Australia.

As you know, 2018 was the Company's first full year operating as a single integrated global group following the 2017 merger of Emefcy and RWL Water. Today, Fluence is a fully integrated global player in the decentralized water, wastewater and reuse treatment markets with operations and experience in more than 70 countries around the world.

The strong revenue growth the Company demonstrated in 2018 is anticipated to continue across each of our three key revenue streams:

1. Smart Products Solutions
 - Currently comprised of Aspiral™, NIROBOX™ and SUBRE
2. Recurring Revenue and Aftersales
 - Comprised of Build Own Transfer (BOT) and Build Own Operate Transfer (BOOT) projects, as well as aftermarket services & operation and maintenance contracts
3. Custom-Engineered Solutions
 - Including anaerobic digestion technology and any other uniquely customized engineering solution.

Fluence was pleased to recently announce a landmark €165 million commercial contract with the federal Government of Ivory Coast, showcasing our capabilities on a global scale. Following this announcement, the Company has very significant revenue backlog stemming from this contract alone for the next three years, reflecting the success of our growth strategy and the exceptional efforts and commitment of our management team.

The Company has continued to further progress our activities and penetration into China, with the recent announcement of our largest order in China yet of 40 Aspiral™ units from our partner ITEST. This follows an order for 35 units from ITEST received in December 2018. The most recent signing was the third contract under the 3-year strategic partnership with ITEST in China, reaffirming our customer's confidence in Fluence's MABR technology and our expertise in delivering volume orders in a timely and efficient manner.

The geographic footprint for Smart Products Solutions has expanded further with Aspiral™ sales achieved in the USA, Philippines and Argentina, as well as the first commercial MABR sale in the USA and SUBRE sale in Jamaica.

The Company recently announced that independent testing at Stanford has validated MABR technology's compliance with California's Title 22 water recycling legislation. Achieving these strict guidelines is an important milestone in developing the Company's MABR business in the USA.

In March this year, the Company announced a second significant contract win in Egypt, to contribute to a custom engineering solution as part of a larger joint venture desalination design and construction project, with an estimated revenue value to Fluence of US\$20 million.

Further details of business development and achievements are set out in the Review of Operations section in the 2018 Annual Report.

During 2018, we strengthened our balance sheet by raising US\$23.6 million (A\$33.1 million) before costs via a share placement to institutional investors and a further US\$2.3 million (A\$3.3 million) via a non-underwritten Share Purchase Plan. We are very pleased with the continued support from our shareholders shown through this capital raising, the proceeds of which will support future business growth opportunities.

We are continuing our strong growth path into 2019 with the goal of delivering sustainable EBITDA profitability by the end of the year. The management team has delivered outstanding revenue growth of approximately 80% during 2018, while simultaneously reducing operating costs.

Board, Governance and Management

The Board is committed to ensuring that our business is conducted in accordance with the highest standards of corporate governance.

In July, we further strengthened our board with the appointment of Mr Paul Donnelly who brings extensive knowledge and experience in corporate finance, infrastructure finance and capital markets after more than 23 years at Macquarie Group. Mr. Donnelly filled the vacancy on the Board resulting from the retirement of Mr Robert Wale at last year's AGM.

The coming year promises to be an exciting and pivotal year for Fluence. We expect the Company to continue to develop and grow across all our geographical regions in water, wastewater and reuse treatment markets, and expect to see the business move into sustainably EBITDA profitability in the last quarter of 2019.

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

Yours sincerely



Richard Irving
Chairman
Fluence Corporation Limited

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

Notice is hereby given that the 2019 Annual General Meeting (**Meeting** or **AGM**) of Fluence Corporation Limited (ACN 127 734 196) (**Company**) will be held at 4.00pm (AEST) on Wednesday 22 May 2019 at the offices of Lander & Rogers, Level 12, 600 Bourke St, Melbourne, Victoria, 3000, Australia.

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

At the AGM, the following matters will be considered.

ITEM 1: FINANCIAL REPORTS

To receive and consider the Financial Report of the Company and the reports of the Directors and Auditor for the financial year ended 31 December 2018.

ITEM 2: PROPOSED RESOLUTIONS

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

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

“That the Remuneration Report for the financial year ended 31 December 2018 as set out in pages 17 to 44 (inclusive) of the Annual Report be adopted.”

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

RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR ROSS HAGHIGHAT

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

“That Mr Ross Haghighat, being a Director of the Company who retires in accordance with clause 4.3(c) of the Constitution of the Company and being eligible, is re-elected as a Director of the Company.”

RESOLUTION 3: RE-ELECTION OF DIRECTOR – MR RICHARD IRVING

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

“That Mr Richard Irving, being a Director of the Company who retires in accordance with clause 4.3(c) of the Constitution of the Company and being eligible, is re-elected

as a Director of the Company.”

RESOLUTION 4(a): RE-ELECTION OF MR PAUL DONNELLY AS A DIRECTOR

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

“That Mr Paul Donnelly, being a director who was appointed by the directors on 20 July 2018 in accordance with clause 4.2(a)(ii) of the Constitution of the Company and whose appointment as a director expires at the conclusion of the Annual General Meeting of the Company, and, being eligible, offers himself for re-election, be re-elected as a director of the Company.”

RESOLUTION 4(b): APPROVAL OF ISSUE OF OPTIONS TO MR PAUL DONNELLY

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 500,000 Options to Mr Paul Donnelly (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”

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

RESOLUTION 5: RATIFICATION AND APPROVAL OF PREVIOUS ISSUE OF SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 89,030,295 Shares which took place on 5 November 2018 and the issue of 425,000 Shares which took place on 6 November 2018, at an issue price of A\$0.37 per Share, on the terms and conditions set out in the Explanatory Memorandum.”

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

RESOLUTION 6: APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

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

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A and on the terms and conditions set out in the Explanatory Memorandum.”

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

RESOLUTION 7: APPROVAL OF ISSUE OF ADDITIONAL OPTIONS TO MR HENRY CHARRABE

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 3,360,000 Options to Mr Henry Charrabé (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”

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

Dated: 18 April 2019

By Order of the Board of Directors

A handwritten signature in blue ink, appearing to read 'Ross Kennedy', is centered within a light blue rectangular box. The signature is written in a cursive style with a large loop at the end.

Ross Kennedy
Company Secretary & Advisor to the Board

IMPORTANT INFORMATION

VOTING EXCLUSION STATEMENT

Resolution 1: Adoption of Remuneration Report

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

Resolution 4(b): Approval of Issue of Options to Mr Paul Donnelly

The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Paul Donnelly or any of his Associates. However, the Company need not disregard a vote on this resolution if it is cast by a person as proxy for a person who is entitled to vote on this resolution in accordance with a direction on the Proxy Form, or it is cast by the Chairman of the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5: Ratification and Approval of Previous Issues of Shares

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

Company need not disregard a vote on this resolution if it is cast by a person as proxy for a person who is entitled to vote on this resolution in accordance with a direction on the Proxy Form, or it is cast by the Chairman of the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6: Approval of Additional 10% Placement Capacity

The Company will disregard any votes cast in favour of this resolution by or on behalf of a person who may participate in the proposed issue and a person who might obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or any Associates of such persons. However, the Company need not disregard a vote on this resolution if it is cast by a person as proxy for a person who is entitled to vote on this resolution in accordance with a direction on the Proxy Form, or it is cast by the Chairman of the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 7: Approval of Issue of Additional Options to Mr Henry Charrabé

The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Henry Charrabé and or of his Associates. However, the Company need not disregard a vote on this resolution if it is cast by a person as proxy for a person who is entitled to vote on this resolution in accordance with a direction on the Proxy Form, or it is cast by the Chairman of the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

PROXY INSTRUCTIONS

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

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

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

A Proxy Form is attached to this Notice.

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

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

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

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

Completed Proxy Forms may be lodged using the enclosed reply-paid envelope or by one of the following methods:

Online <https://www.votingonline.com.au/fluenc eagm2019>

By Fax +61 2 9290 9655

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

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

Completed Proxy Forms (and any necessary supporting documents) must be received by Boardroom Pty Limited no later than 4.00pm (AEST) on Monday 20 May 2019. Proxy Forms received after that time will not be valid.

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

HOW THE CHAIRMAN WILL VOTE UNDIRECTED PROXIES

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

If you appoint the Chairman of the Meeting (or the Chairman is taken to be appointed) as your proxy and you do not direct the Chairman how to vote on a resolution, then by completing and returning the Proxy Form, you expressly authorise the Chairman to exercise the proxy and to vote in accordance with his stated intention to vote in favour of all resolutions (subject to the voting exclusions noted above).

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

CORPORATE REPRESENTATIVES AND ATTORNEYS

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

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

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

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

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

VOTING ENTITLEMENT

For the purposes of the Meeting, the Directors have determined that pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), Shares will be taken to be held by the persons who are the registered holders at 7.00 pm (AEST) on Monday 20 May 2019. Accordingly, any Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

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

This Explanatory Memorandum accompanies and forms part of the Notice of Annual General Meeting (**Notice**) issued to convene the 2019 Annual General Meeting (**Meeting**) of the Shareholders of Fluence Corporation Limited (**Company**) to be held at 4.00pm (AEST) on Wednesday 22 May 2019 at the offices of Lander & Rogers, Level 12, 600 Bourke Street, Melbourne VIC 3000, Australia.

ITEM 1: FINANCIAL REPORTS

The Corporations Act requires the Financial Report and the reports of the Directors and Auditor for the financial year ended 31 December 2018 to be laid before the Meeting.

The Company's 2018 Annual Report (which includes the Financial Report, Directors' Report and Auditor's Report) is available on the Company's website at <https://www.fluencecorp.com/investor-news/>.

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

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

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

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

by giving the question to the Company by no later than Wednesday 15 May 2019 (being the 5th business day before the day on which the Meeting is to be held). The Company will pass the questions on to the Auditor, and the Auditor will prepare a list of questions that the Auditor considers relevant to the matters outlined above, which will be made available to Shareholders at the Meeting.

ITEM 2: PROPOSED RESOLUTIONS

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report for the financial year ended 31 December 2018 forms part of the Directors' Report and is set out in pages 17 to 44 (inclusive) of the Annual Report, which is available at <https://www.fluencecorp.com/investor-news/>.

The Remuneration Report includes:

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

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

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

Also, Shareholders should note that under the Board spill provisions contained in the Corporations Act (known generally as the "two strikes rule"), if 25% or more of the votes cast on this resolution are against the adoption of the Remuneration Report for the year ended 31 December 2018, this will be considered the "first strike". While this would not impact this AGM, if a "second strike" is cast against the Remuneration Report for the year ended 31 December 2019 at next year's annual general meeting, this will trigger a vote on a resolution to spill the Board, and all Directors who were in office at the date of that meeting (other than the Managing Director) must stand for re-election.

Board Recommendation

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

RESOLUTION 2: RE-ELECTION OF DIRECTOR - MR ROSS HAGHIGHAT

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

As at the date of this Notice, the Board is comprised of six (6) Directors and the Managing Director. Mr Haghghat was elected as a Director by the Shareholders at the Annual General Meeting held on Friday 5 May 2017. Of the six (6) Directors, Mr Haghghat has held office for the equal longest period since last being re-elected.

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

Mr Haghghat holds a B.Sc. and a Masters in Material Science in Organometallic Chemistry, Rutgers University (USA). MBA, Boston College - Carroll School of Management (USA).

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

With over 20 years in operating and strategic roles and a decade in the investment arena, he has helped to create a number of global enterprises in the private and public space in the US, China, Australia and Europe. Mr. Haghghat was Non-Executive Director of Emefcy Group Limited from 2015.

He serves as Chairman for Triton Systems Group - a Global Investment and Product Venturing firm. He serves as a Director at Aduro Biotech a clinical stage biopharma (Nasdaq: ADRO), is Chairman of FRX Polymers, a specialty chemicals firm with operations in the US, Europe, and China.

Mr Haghghat is Chair of the Remuneration & Nomination Committee.

Board Recommendation

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

RESOLUTION 3: RE-ELECTION OF DIRECTOR - MR RICHARD IRVING

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

As at the date of this Notice, the Board is comprised of six (6) Directors and the Managing Director. Mr Irving was elected as a Director by the Shareholders at the Annual General Meeting held on Friday 5 May 2017. Of the six (6) Directors, Mr Irving has held office for the equal longest period since last being re-elected.

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

Mr Irving is the Non-Executive Chairman of Fluence Corporation Limited. In January 2019 following the release of the Company's strong results for 2018, Mr Irving stepped down from his role as Executive Chairman to be the Non-Executive Chairman. Prior to Fluence Corporation Limited, Mr Irving served as Executive Chairman & Chairman of Emefcy Group Limited from 2010.

Based in Silicon Valley, Mr Irving co-founded Pond Venture Partners in 1997 and brings over 30 years' experience in venture capital, business management, marketing and engineering in technology companies including AT&T Bell Labs, AMD, and Brooktree. Mr Irving has helped create over US\$3 billion in shareholder value through IPOs, acquisitions, and private financings. Past exits include LiveRail (Facebook), Gige Networks (Broadcom), 4Home (Motorola Mobility), Transitive (IBM), and Microcosm Communications (Conexant).

Mr Irving also serves as a Venture Advisor to Samsung.

In addition to being Non-Executive Chairman of the Board, Mr Irving is a member of the Remuneration & Nomination Committee.

Board Recommendation

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

RESOLUTION 4: RE-ELECTION OF MR PAUL DONNELLY AS A DIRECTOR AND ISSUE OF OPTIONS

(a) RESOLUTION 4(a): Re-election of Mr Paul Donnelly as a Director

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

The Board appointed Mr Donnelly as a Director on 20 July 2018. In accordance with the Company's Constitution, Mr Donnelly will retire from office and, being eligible, offers himself for re-election as a Director.

Mr Donnelly serves as Non-Executive Director for Fluence Corporation Limited. Mr Donnelly's qualifications are:

- BSc (Hons) Chemistry, University of Southampton;
- Advanced Management Programme, Harvard Business School;
- Member of Institute of Chartered Accountants in England & Wales; and
- Member of Australian Institute of Company Directors.

Mr. Donnelly is an accomplished financial services executive with international experience across all aspects of capital markets.

Mr. Donnelly is an Executive Director at Macquarie Capital, where he has served since 1995 in various roles, including President & CEO of Macquarie's Canadian Operations, and Global Head of Equity and Debt Capital Markets, among others.

Mr. Donnelly has a broad range of sector experience, both in Australia and internationally, with particular skills in financial services, infrastructure and utilities. Over his twenty-year career, he has gathered deep transactional experience from advising on significant and complex transactions for leading Australian companies.

(b) RESOLUTION 4(b): Approval of Issue of Options to Mr Paul Donnelly

Resolution 4(b) is proposed to seek shareholder approval for the issue to Mr Paul Donnelly of an aggregate of 500,000 Options, with each Option entitling the holder to be issued with one Share on exercise of the Option. The Options are proposed to be issued as part of the fee arrangements for Mr Donnelly.

The terms for the proposed Options include:

- 250,000 4 year Options with an exercise price 50% above 20 day VWAP on the date of his appointment as a director, with a 2 year vesting period; and
- 250,000 4 year Options with an exercise price 100% above 20 day VWAP on the date of his appointment as a director, with a 2 year vesting period.

The 20 day VWAP up to and including 20 July 2018 was A\$0.40. Thus, the exercise price for the first tranche of 250,000 Options will be A\$0.60 per Option and for the second tranche A\$0.80 per Option.

The terms of these Options except for the exercise prices are the same as the terms of the Options issued to other non-executive Directors.

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

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

- (i) Mr Donnelly (or his nominee/s) will receive the Options the subject of Resolution 3(b).
- (ii) The maximum number of securities to be issued will be 500,000 Options, having the terms set out in paragraph (v) below.
- (iii) The Company will issue the Options as soon as reasonably practicable after the Meeting and in any event not more than one (1) month after the date of the Meeting.
- (iv) Mr Donnelly is a Director of the Company (noting that his continued appointment as a Director is subject to the passing of Resolution 4(a)).
- (v) The Options issued under the approval sought through Resolution 3(b) will be 250,000 Options with an exercise price of A\$0.60 cents and 250,000 Options with an exercise price of A\$0.80 cents. Full terms of the Options are set out in Schedule 2.
- (vi) No funds will be raised through the issue of the Options.
- (vii) A voting exclusion statement applies to Resolution 4(b) on the terms set out in the "Important Information" section of the Notice.

Board Recommendation

The Board (in respect of Resolution 4(b), other than Mr Donnelly, whose Options are the subject of that resolution) recommends that Shareholders vote in favour of these resolutions.

RESOLUTION 5: RATIFICATION AND APPROVAL OF PREVIOUS ISSUES OF SHARES

On 5 and 6 November 2018, the Company issued 89,455,295 Placement Shares at an issue price of A\$0.37, comprised of 45,768,479 Placement Shares under Listing Rule 7.1 and 43,686,816 Placement Shares under Listing Rule 7.1A.

Ratification of that issue will provide the Company with flexibility in capital management and allows the Company to make further issues of Equity Securities for working capital or other purposes as required with greater speed, without the need for further approval from Shareholders.

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Shares that were issued:

- (i) **the number of Placement Shares issued:** 89,455,295.
- (ii) **the price at which the Placement Shares were issued:** A\$0.37 each.
- (iii) **the terms of the Shares that were issued:** the Placement Shares rank equally with existing Shares.
- (iv) **the names of the allottees or the basis on which allottees of the Shares were determined:** the Shares were issued to professional and sophisticated investors who participated in the institutional placement, as announced to the ASX on Monday 5 November 2018 and 6 November 2018.
- (v) **the use (or intended use) of the funds raised:** the funds have been applied to satisfy several of the Company's stated objectives, including:
 - (A) a steady transformation of the Company's share register towards a more global investor base;
 - (B) attracting high-quality US-based funds in anticipation of a future potential listing on a US stock exchange;
 - (C) contribute to funding the Company's ongoing operational and global strategic needs; and
 - (D) providing working capital and additional flexibility to fund further growth opportunities.
- (vi) **voting exclusion statement:** A voting exclusion statement applies to Resolution 4 on the terms set out in the "Important Information" section of the Notice.

Board Recommendation

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

RESOLUTION 6: APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

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

The Company is seeking Shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Capacity. The Company obtained Shareholder approval of its 10% Placement Capacity at its last annual general meeting on Thursday 24 May 2018. The approval of this placement capacity will expire, however, on Thursday 23 May 2019 (or 12 months after that Shareholder approval was obtained). Accordingly, the Company is proposing to have Shareholders approve a new 10% Placement Capacity.

An "eligible entity" for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of A\$300 million or less. Although the Company has been included in the S&P All Ordinaries Index, it

has not yet become part of the S&P/ASX 300 Index. As a result, as at the date of this Notice, the Company is an eligible entity.

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

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

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

where:

- A is the number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue,
- plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2,
 - plus the number of partly paid ordinary securities that became fully paid in the 12 months,
 - plus the number of fully paid ordinary securities issued in the 12 months with the approval of holders of ordinary securities under ASX Listing Rules 7.1 or 7.4,
 - less the number of fully paid ordinary securities cancelled in the 12 months.
- D is 10%
- E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are *not* issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

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

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

Minimum price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 ASX trading days of that date, the date on which the Equity Securities are issued.

Risk of dilution

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

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

- (i) the number of Shares on issue (variable 'A' in the formula) increases by 50% and 100%; and
- (ii) the issue price increases and decreases by 50% against the current market price of A\$0.515 as at the close of business on 3 April 2019.

Number of Shares on issue (variable 'A' in formula)	Dilution Variable	Dilution		
		A\$0.258 (50% decrease in current issue price)	A\$0.515 (Current issue price)	A\$0.773 (50% increase in current issue price)
variable 'A' - 537,375,296 Shares	Additional 10% Shares issued	53,737,530 Shares	53,737,530 Shares	53,737,530 Shares
	Funds raised	A\$13,837,413.87	A\$27,674,827.74	A\$41,512,241.62
50% increase in variable 'A' - 806,062,944 Shares	Additional 10% Shares issued	80,606,294 Shares	80,606,294 Shares	80,606,294 Shares
	Funds raised	A\$20,756,120.81	A\$41,512,241.62	A\$62,268,362.42
100% increase in variable 'A' - 1,074,750,592 Shares	Additional 10% Shares issued	107,475,059 Shares	107,475,059 Shares	107,475,059 Shares
	Funds raised	A\$27,674,827.74	A\$55,349,655.49	A\$83,024,483.23

* The number of Shares on issue (variable 'A' in the formula) could increase as a result of the issue of Shares that does not require Shareholder approval (such as under a

pro-rata rights issue) or an issue of Shares with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

- (i) The current number of Shares on issue is the Shares on issue as at 3 April 2019;
- (ii) The current issue price is the closing price of the Shares on the ASX on 3 April 2019;
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity;
- (iv) The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1 or under an exception under ASX Listing Rule 7.2;
- (v) The calculations above do not show the dilution that any one (1) particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own Shareholding depending on their specific circumstances;
- (vi) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1; and
- (vii) Any fractions resulting from the calculations above have been rounded down.

Shareholders should note that there is a risk that:

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

Date of issue

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

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

Purpose of issue under 10% Placement Capacity

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

Capacity will give the Company the flexibility to fund the purchase price for an acquisition, or the working capital requirements of the acquired company or business, wholly or partly through the issue of Equity Securities.

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

Allocation under the 10% Placement Capacity

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

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

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

Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on Thursday 24 May 2018.

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

- (i) the total number of Equity Securities issued by the Company in the 12 months preceding the date of the Meeting was 125,493,129 Equity Securities, representing 30% of the total number of Equity Securities on issue (which was 415,268,167) at the commencement of that 12-month period; and
- (ii) details of all issues of Equity Securities by the Company during the 12 months preceding the Meeting are set out in Schedule 1.

Voting exclusion

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

Board Recommendation

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

RESOLUTION 7: APPROVAL OF ISSUE OF ADDITIONAL OPTIONS FOR MR HENRY CHARRABE

Resolution 7 is proposed to seek shareholder approval for the issue to Mr Henry Charrabé of an additional 3,360,000 Options, with each Option entitling the holder to be issued with one Share on exercise of the Option. The Options are proposed to be issued in recognition of the significant business achievements in 2018 under Mr Charrabé’s leadership as Managing Director & CEO.

Details of the proposed terms of the Options were disclosed in the December 2018 Quarterly Business Update released to ASX on Thursday 31 January 2019, along with the following comment from Mr Richard Irving, Chairman: “The grant of additional options is important as both recognition for achievement and for talent retention. The issue of these options also continues to align the long-term incentives of senior management with shareholder interests.”

The exercise price of A\$0.39 was calculated as the 20 day VWAP up to and including Tuesday 29 January 2019 plus a 10% premium.

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

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

- (i) Mr Charrabé (or his nominee/s) will receive the Options the subject of Resolution 7.
- (ii) The maximum number of securities to be issued will be 3,360,000 Options, having the terms set out in paragraph (v) below.
- (iii) The Company will issue the Options as soon as reasonably practicable after the Meeting and in any event not more than one (1) month after the date of the Meeting.
- (iv) Mr Charrabé is Managing Director & CEO of the Company.
- (v) The Options issued under the approval sought through Resolution 7 will be 3,360,000 Options with an exercise price of A\$0.39 each with an expiry date of July 14, 2025. Fifty percent of these Options (1,680,000) will be subject to defined

performance criteria. Twenty-five percent of the Options (840,000) will be fully vested on grant. The remaining 25% percent of the Options (840,000) shall vest in quarterly increments over the next 2 years subject to continuing employment.

Full terms of the Options are set out in Schedule 3.

- (vi) No funds will be raised through the issue of the Options.
- (vii) A voting exclusion statement applies to Resolution 7 on the terms set out in the "Important Information" section of the Notice.

Voting exclusion

A voting exclusion statement applies to this resolution on the terms set out in the "Important Information" section of the Notice of Annual General Meeting.

Board Recommendation

The Board (in respect of Resolution 7, other than Mr Charrabé, whose Options are the subject of that resolution) recommends that Shareholders vote in favour of these resolutions.

GLOSSARY

AGM or Meeting	the Annual General Meeting of the Company to be held at 4.00pm (AEST) on Wednesday 22 May 2019 at the offices of Lander & Rogers, Level 12, 600 Bourke Street, Melbourne, Victoria, 3000, Australia
Annual Report	the Annual Report of the Company for the financial year ended 31 December 2018
ASIC	the Australian Securities and Investments Commission
Associate	has the meaning given to the term by Section 12 and 16 of the Corporations Act
ASX	ASX Limited (ACN 008 624 691)
ASX Listing Rules	the Listing Rules of ASX
Auditor	BDO East Coast Partnership (ABN 83 236 985 726)
Board	the board of Directors of the Company
Chairman	the Chairman of the Meeting
Closely Related Party	has the meaning given in Section 9 of the Corporations Act
Company or Fluence	Fluence Corporation Limited (ACN 127 734 196)
Constitution	the Company's constitution
Corporations Act	the <i>Corporations Act 2001</i> (Cth)
Director	a director of the Company
ESOP	the Employee Share Option Plan which (as amended) was approved by the Shareholders at the general meeting of the Company held on 12 July 2017, as further amended from time to time
Equity Security	has the meaning given in the ASX Listing Rules
Explanatory Memorandum	the Explanatory Memorandum accompanying and forming part of the Notice
Key Management Personnel or KMP	the key management personnel of the Company named in the Remuneration Report, including the Directors
Notice or Notice of Annual General Meeting	this Notice of Annual General Meeting and the Explanatory Memorandum and Proxy Form
Option	an option to acquire a Share
Placement Shares	a total of 89,455,295 Shares issued on 5 and 6 November 2018 under a private placement to institutional and sophisticated investors at an issue price of A\$0.37 per Share, which raised a total of A\$33,098,459 before costs
Proxy Form	the Proxy Form accompanying and forming part of the Notice

Remuneration Report	the Remuneration Report for the financial year ended 31 December 2018 as set out in pages 17 to 44 (inclusive) of the Annual Report
Share	a fully paid ordinary share in the capital of the Company
Shareholder	a holder of a Share

SCHEDULE 1
ISSUES OF EQUITY SECURITIES SINCE THE LISTING RULE 7.1A APPROVAL IN 2018 AGM

Date of Appendix 3B	Number of equity securities issued	Class of equity securities issued	Allottees	Issue price	Discount to closing market price on date of issue	Form of consideration	Amount Spent
13-Jul-18	500,000	Unlisted Employee Options	Employees	A\$0.457	N/A	Issued for no consideration	N/A
16-Jul-18	20,100,000	Fully paid ordinary shares	RSL Investments Corporation	Issued as balance of consideration under the Sale and Purchase Agreement entered into with RSL Investments Corporation on 26 May 2017	N/A	N/A	N/A
30-Jul-18	499,999	Fully paid ordinary shares	Unlisted Option Holder	A\$0.30	N/A	Cash exercise of options	A\$150,000
15-Aug-18	1,500,000	Unlisted Director Options	Director	50% at A\$1.20 and 50% at A\$1.50	N/A	Issued for no consideration	N/A
27-Aug-18	1,000,000	Fully paid ordinary shares	Unlisted Option Holder	50% at A\$0.30 and 50% at A\$0.40	N/A	Cash exercise of options	A\$350,000
5-Nov-18	89,455,295	Fully paid ordinary shares	Placement to institutional and sophisticated investors	A\$0.37	12%	Cash	A\$33,098,459
30-Nov-18	9,051,835	Fully paid ordinary shares	Share Purchase Plan participants	A\$0.37	3%	Cash	A\$3,349,179
12-Dec-18	1,000,000	Fully paid ordinary shares	Unlisted Option Holder	A\$0.30	N/A	Cash exercise of options	A\$300,000
17-Dec-18	1,000,000	Fully paid ordinary shares	Unlisted Option Holder	A\$0.30	N/A	Cash exercise of options	A\$300,000
3-Jan-19	188,000	Unlisted Employee Options	Employees	A\$0.81	N/A	Issued for no consideration	N/A

Date of Appendix 3B	Number of equity securities issued	Class of equity securities issued	Allottees	Issue price	Discount to closing market price on date of issue	Form of consideration	Amount Spent
7-Feb-19	1,198,000	Unlisted Employee Options	Employees	A\$0.39	N/A	Issued for no consideration	N/A
10 April 2019	272,000	Unlisted Employee Options	Employees	A\$0.46	16%	Issued for no consideration	N/A

SCHEDULE 2
TERMS OF OPTIONS (PAUL DONNELLY)

PART A: TERMS APPLICABLE TO OPTIONS WITH A\$0.60 EXERCISE PRICE

- (a) The Options will expire at 5:00pm (AEST) on the date which is four (4) years after their issue date (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) The Options will vest two (2) years after the issue date, subject to Mr Donnelly continuing to be engaged as a Director.
- (c) The amount payable upon exercise of each Option will be A\$0.60 (**Exercise Price**).

PART B: TERMS APPLICABLE TO OPTIONS WITH A\$0.80 EXERCISE PRICE

- (a) The Options will expire at 5:00pm (AEST) on the date which is four (4) years after their issue date (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) The Options will vest two (2) years after the issue date, subject to Mr Donnelly continuing to be engaged as a Director.
- (c) The amount payable upon exercise of each Option will be A\$0.80 (**Exercise Price**).

PART C: COMMON TERMS TO BOTH CLASSES OF OPTIONS

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

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

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

is exercisable may be increased by the number of securities which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.

SCHEDULE 3
TERMS OF OPTIONS (HENRY CHARRABE)

PART A: COMMON TERMS APPLICABLE TO OPTIONS

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

- (a) The Options will expire at 5:00pm (AEST) on July 14, 2025 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) The amount payable upon exercise of each Option will be A\$0.39 (**Exercise Price**).
- (c) Fifty percent of the Options (1,680,000) will be subject to defined performance criteria. Twenty-five percent of the Options (840,000) will be fully vested on grant. The remaining twenty-five percent of the Options (840,000) shall vest in quarterly increments over the next 2 years subject to continuing employment and provided that the recipient remains a Director of the Company.
- (d) Each Option gives the Option holder the right to subscribe for one (1) Share. The Option holder must exercise the Options in accordance with the terms and conditions attached to the Options or any other terms agreed with the Option holder.
- (e) The Options may be exercised in whole or in part, and if exercised in part, multiples of 100,000 must be exercised on each occasion.
- (f) The Option holder may exercise his Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised or an election for a cashless exercise, (**Exercise Notice**).
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within ten (10) business days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under the terms and conditions attached to the Options in respect of the number of Options specified in the Exercise Notice.
- (i) The Options are non-transferrable.

- (j) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX within ten (10) business days after the allotment of those Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of the Option holder in respect of the Options are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and the Option holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) business days after the issue is announced. This will give the Option holder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- (n) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (o) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.



All Correspondence to:

- By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- By Fax:** +61 2 9290 9655
- Online:** www.boardroomlimited.com.au
- By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 4:00pm AEST on Monday 20 May 2019.**

TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/fluenceagm2019>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **4:00pm AEST on Monday 20 May 2019**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

- Online** <https://www.votingonline.com.au/fluenceagm2019>
- By Fax** + 61 2 9290 9655
- By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

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

Fluence Corporation Limited

ACN 127 734 196

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Fluence Corporation Limited (ACN 127 734 196)** (Company) and entitled to attend and vote hereby appoint:

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Lander & Rogers, Level 12, 600 Bourke Street, Melbourne VIC 3000 on Wednesday, 22 May 2019 at 4:00pm AEST** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 4(b) and 7, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 4(b) and 7 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 4(b) and 7). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

The Board recommends that Shareholders vote FOR all Resolutions.

	For	Against	Abstain*
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Mr Ross Haghghat	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Director - Mr Richard Irving	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(a) Re-election of Mr Paul Donnelly as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(b) Approval of Issue of Options to Mr Paul Donnelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification and Approval of Previous Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of Issue of Additional Options to Mr Henry Charrabe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2019