



Redflow Limited

ACN 130 227 271

Notice of Annual General Meeting

to be held on

Date: Thursday, 26 November 2020

Time: 10:00am (Brisbane time)

Place: As a virtual meeting via a live audiocast at <https://agmlive.link/RFX20>.

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 of Redflow Limited ACN 130 227 271 (**Redflow**) will be held at **10:00am (Brisbane time) on Thursday, 26 November 2020** as a virtual meeting via a live audiocast at <https://agmlive.link/RFX20>.

The Directors have determined that the AGM will be held virtually this year due to the COVID-19 pandemic. There will be no physical meeting for shareholders to attend. Regardless, we encourage as many shareholders as possible to attend the virtual Meeting.

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. You must log onto your electronic device and register your attendance (with your SRN/HIN Number or proxyholder login provided to you by Link). Registration will open from 9:45am (Brisbane time) on Thursday 26 November 2020.

We recommend that you test to see that this link works on your device before the AGM commencing at 10:00am (Brisbane time). Further instructions on device configuration are provided in the Virtual Meeting Online Platform Guide 2020 available on Redflow's website at <https://redflow.com/investors/asx-announcements/>.

An archived recording of the AGM audiocast will be available for Shareholders to watch 24 hours after the meeting.

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, including an opportunity to ask questions of the Company's external auditor. 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, including matters arising from the Financial Statements, the Directors' Report (including the Remuneration Report) and the Auditor's Report, 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 or commercial in confidence.

Information on how to use the AGM online platform (including how to vote and ask questions online during the AGM) is available in the Virtual Meeting Online Platform Guide 2020 which has been lodged with ASX and is available on Redflow's website at <https://redflow.com/investors/asx-announcements/>.

Shareholders can register questions in advance of the AGM by submitting them online to Link at www.linkmarketservices.com.au.

Agenda

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 2020.

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 2020 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 David Knox as Director

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

'That, David Knox, 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 - 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.

5 Resolution 4 - 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 11,000,000 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:
 - (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.

6 **Resolution 5 – Approval for potential issue of shares to John Lindsay in lieu of director fees**

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

'That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the payment to John Lindsay of up to \$120,000 (representing Directors' Fees potentially payable over the next 2 years), by the issue, at his election, of such a number of fully paid ordinary shares in Redflow in accordance with the terms set out in the accompanying Explanatory Memorandum.'

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 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 potential issue of shares to David Brant in lieu of director fees**

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

'That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the payment to David Brant of up to \$120,000 (representing Directors' Fees potentially payable over the next 2 years), by the issue, at his election, of such a number of fully paid ordinary shares in Redflow in accordance with the terms set out in the accompanying Explanatory Memorandum.'

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 Chairman of the Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.

8 Resolution 7 – Election of non-Board endorsed external nominee as a Director

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

'That, You (Hunter) Jiang, having offered himself for election as a Director, be elected as a Director of Redflow.'

Dated: 27 October 2020

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) Tuesday, 24 November 2020. 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 10:00am (Brisbane time) 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 Redflow 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/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235
 - (b) Online by logging into www.linkmarketservices.com.au and using the holding details as shown on the front of your proxy form.
 - (c) By facsimile to (02) 9287 0309 (within Australia) or +61 2 9287 0309 (outside Australia).
- 9 Any proxy form received after this deadline will be treated as invalid.
- 10 As noted above, Link will contact proxyholders at least 24 hours prior to the start of the Annual General Meeting to provide them with their proxyholder login information that they will need to enter into the online AGM Platform.
- 11 As in past years, 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 Information on how to use the AGM online platform (including how to vote and ask questions online during the AGM) is available in the Virtual Meeting Online Platform Guide 2020 which has been lodged with ASX and is available on Redflow's website at <https://redflow.com/investors/asx-announcements/>.
- 13 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.
- 14 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.

- 15 Clause 14(b) does not apply if the Chairman of the Annual General Meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.
- 16 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.
- 17 The Chairman intends to vote all Undirected Proxies in favour of all resolutions including Remuneration Resolutions (except for Resolution 7). The Chairman intends to vote all Undirected Proxies against Resolution 7.
- 18 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 2020.

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 4 to 6 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, 26 November 2020. 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 2020 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 2020

The Remuneration Report of Redflow for the financial year ended 30 June 2020 is set out in Redflow's 2020 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 – Re-election of David Knox as Director

3.1 Re-election of David Knox

David Knox was appointed to fill a casual vacancy as a Non-Executive Director on 2 March 2017 and was last elected by Shareholders on 24 November 2017. In accordance with clause 8.3 of Redflow's Constitution, Mr Knox retires by rotation and is eligible for re-election.

David Knox is an experienced executive in the energy sector, most notably as Chair of Snowy Hydro since January 2020 and MD & CEO of Santos Limited from 2008 to 2015. He was previously MD for BP Developments in Australasia from 2003 to 2007 and has held management and engineering positions at BP, ARCO and Shell in the USA, Australia, Netherlands, United Kingdom, Pakistan and Norway. He was previously MD & CEO of Australian Naval Infrastructure stepping down in April 2020 on completion of the construction of the Osborne South Shipyard.

David is originally from Edinburgh, Scotland and has a BSc Hons in Mechanical Engineering and an MBA. He is a fellow of the Australian Academy of Technology and Engineering and the Institution of Engineers Australia and a graduate of the Australian Institute of Company Directors.

David currently serves as a Non-Executive Director on a number of Boards including Snowy Hydro, CSIRO, Micro-X, Migration Council Australia, TACSI and the Adelaide Festival. He is also a member of the Council of RiAus.

Mr Knox is Chair of Redflow's Audit and Risk Committee. The Board considers David Knox to be an independent non-executive director.

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

4 Resolution 3 – 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 3 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 3 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 3 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 26 November 2021);
- (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

Dilution risks

If Resolution 3 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.

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.

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 5 October 2020.

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		
		\$0.015 50% decrease in issue price	\$0.03 issue price	\$0.06 100% increase in issue price
Current Variable A 1,136,465,666 shares	10% voting dilution	113,646,567	113,646,567	113,646,567
	Funds raised	\$1,704,699	\$3,409,397	\$6,818,794
50% increase in Variable A 1,704,698,499 shares	10% voting dilution	170,469,850	170,469,850	170,469,850
	Funds raised	\$2,557,048	\$5,114,095	\$10,228,191
100% increase in Variable A 2,272,931,332 shares	10% voting dilution	227,293,133	227,293,133	227,293,133
	Funds raised	\$3,409,397	\$6,818,794	\$13,637,588

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 \$0.03, being the closing price of the shares on ASX on 5 October 2020.
- (f) The number of shares on issue is 1,136,456,666 being the number of shares on issue as at 5 October 2020.

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 21 November 2019.

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 3 is in the best interests of Redflow and unanimously recommend that Shareholders vote in favour of this Resolution.

5 Resolution 4 – Approval for grant of performance rights to the Managing Director

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 CEO with Redflow's financial performance. The Board also believes that an equity-based remuneration component helps it to attract and retain the best executives.

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 Managing Director's remuneration

Tim Harris' remuneration package for FY21 comprises:

- (a) **Fixed remuneration** – \$455,000 inclusive of Superannuation less adjustments implemented as a result of the COVID-19 pandemic;

- (b) **Bonus scheme** – STI up to \$90,000 subject to satisfactory performance KPIs; and
- Share based incentives** – 11,000,000 performance rights subject to shareholder approval being obtained (**Performance Rights**).

5.3 Listing Rule requirements

The Board has adopted a Performance Rights Plan (**Plan**) in market standard form and contains customary terms and conditions.

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 fall within Listing Rule 10.14.1. Resolution 4 seeks the required approval of the Shareholders under and for the purposes of Listing Rule 10.14.

If approval is given under Listing Rule 10.14, Redflow will be able to grant the Performance Rights to Tim Harris and approval will not be required under Listing Rule 7.1.

If Resolution 4 is not passed, Redflow will not be able to grant the Performance Rights to Tim Harris. 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 is considered to be reasonable remuneration and falls within the exception to the requirement for shareholder approval.

5.5 Proposed Grant

It is proposed to seek shareholder approval for the grant a total of 11,000,000 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. 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 4 tranches, as follows:

Tranche	Number of Performance Rights	Vesting Conditions												
Tranche 1	Up to 3,333,334	<p>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:</p> <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 2021</td> <td>33%</td> <td>1,100,000</td> </tr> <tr> <td>30 June 2022</td> <td>33%</td> <td>1,100,000</td> </tr> <tr> <td>30 June 2023</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 2021	33%	1,100,000	30 June 2022	33%	1,100,000	30 June 2023	34%	1,133,334
		Loyalty Testing Date	Percentage of Performance Rights that vest	Number of Performance Rights that vest										
		30 June 2021	33%	1,100,000										
		30 June 2022	33%	1,100,000										
		30 June 2023	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 2023 (Service Condition); and</p> <p>(b) agreed manufacturing cost key performance indicators (KPIs) are satisfied on the following Testing Dates:</p> <table border="1" data-bbox="738 633 1460 887"> <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 2021</td> </tr> <tr> <td>Tranche B</td> <td>1,111,111</td> <td>30 June 2022</td> </tr> <tr> <td>Tranche C</td> <td>1,111,111</td> <td>30 June 2023</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 2023.</p> <p>Any Performance Rights that have not vested under this Vesting Condition by the final Testing Date of 30 June 2023, will lapse and be cancelled.</p>	Tranche	Number of Performance Rights	Testing Date	Tranche A	1,111,111	30 June 2021	Tranche B	1,111,111	30 June 2022	Tranche C	1,111,111	30 June 2023
Tranche	Number of Performance Rights	Testing Date												
Tranche A	1,111,111	30 June 2021												
Tranche B	1,111,111	30 June 2022												
Tranche C	1,111,111	30 June 2023												
<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>(a) the Service Condition; and</p> <p>(b) the relevant Share Price Target is achieved during the Performance Period as set out below:</p> <table border="1" data-bbox="713 1411 1453 1756"> <thead> <tr> <th>Share Price Target*</th> <th>Performance Period</th> <th>Number of Performance Rights that vest</th> </tr> </thead> <tbody> <tr> <td>\$0.06 or greater</td> <td rowspan="3">1 July 2020 to 30 June 2023</td> <td>1,111,111</td> </tr> <tr> <td>\$0.09 or greater</td> <td>1,111,111</td> </tr> <tr> <td>\$0.12 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 2023.</p> <p>Any Performance Rights that have not vested under this Vesting Condition by 30 June 2023 will lapse and be cancelled.</p>	Share Price Target*	Performance Period	Number of Performance Rights that vest	\$0.06 or greater	1 July 2020 to 30 June 2023	1,111,111	\$0.09 or greater	1,111,111	\$0.12 or greater	1,111,111		
Share Price Target*	Performance Period	Number of Performance Rights that vest												
\$0.06 or greater	1 July 2020 to 30 June 2023	1,111,111												
\$0.09 or greater		1,111,111												
\$0.12 or greater		1,111,111												

Tranche 4	1,000,000	<p>These Performance Rights were approved for grant to the Managing Director by Shareholders at the 2018 Annual General Meeting but were inadvertently not granted in the time advised in the notice of AGM which was 1 month after the AGM. As Redflow wishes to grant these Performance Rights (as approved in 2018) it is seeking fresh Shareholder approval to do so.</p> <p>Loyalty – As originally approved by Shareholders in 2018, these Performance Rights will vest on 30 June 2021, provided that Mr Harris remains continuously employed as Chief Executive Officer (or such other Executive position as determined by the Board) of Redflow until 30 June 2021.</p>
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5.6 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;
- (b) Tranches 2 and 3 – 1 July 2023; and
- (c) Tranche 4 – 1 July 2021.

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

5.7 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)	<p>Since the last annual general meeting, Redflow issued 10,000,000 performance rights to Tim Harris under the Plan (with Shareholder approval obtained at the 2019 Annual General Meeting).</p> <p>No acquisition price was paid by Tim Harris for the issue of the performance rights.</p>
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 5.9
Date by which Performance Rights will be granted	Expected to be issued within 1 month after the date of approval, but in any event no later than 3 years 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
Required Statements	Details of any securities issued under the Plan will

	<p>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 4 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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5.8 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.

5.9 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, 2 and 4) 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	\$0.0280	\$93,333
Tranche 2	\$0.0280	\$93,333
Tranche 3	For Performance Rights with a share price target of \$0.06: \$0.0188 For Performance Rights with a share price target of \$0.09: \$0.0137 For Performance Rights with a share price target of \$0.12: \$0.0109	\$48,222
Tranche 4	\$0.0280	\$28,000

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.

5.10 Valuation Methodology

The application of the Valuation Methodology therefore 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	26 November 2020	The grant date for the Performance Rights for accounting purposes will be on or around 26 November 2020.
Share Price	\$0.028	As per the Performance Rights terms, the grant date of the Performance Rights will be on or around 26 November 2020. As the underlying share price of the Performance Rights is contingent on trading data in the future, the closing price as at 16 October 2020 has been adopted as a proxy for the underlying share price.

Share Price Target	Tranche 3 - \$0.06 (Target 1), \$0.09 (Target 2) and \$0.12 (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 \$0.06 or greater between 1 July 2020 to 30 June 2023 (based on the 20 day VWAP). For share price target 2 to be met, the Redflow share price must be \$0.09 or greater between 1 July 2020 to 30 June 2023 (based on the 20 day VWAP). For share price target 3 to be met, the Redflow share price must be \$0.12 or greater between 1 July 2020 to 30 June 2023 (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	75%	Based on information which includes the historic volatility of the Company over a 2 and 3 year period prior to 16 October 2020.
Risk Free Rate	0.15%	Based on information including the yield of 3 year Australian Government bonds as at 16 October 2020.
Time to Maturity	0.59 – 2.59 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.

5.11 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 11,000,000 fully paid ordinary shares may be issued, representing approximately 0.97% 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).

5.12 Tax consequences

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

5.13 Directors' recommendations

Please note that voting exclusions apply to Resolution 4 – please see the voting exclusions in the notes to Resolution 4.

The Directors (with Mr Harris abstaining) recommend that Shareholders vote in favour of Resolution 4.

6 Resolutions 5 and 6 – Payment of Directors' Fees in Shares

6.1 Background

In order to preserve its cash reserves, Redflow wishes to have the flexibility to issue its Non-Executive Directors fully paid ordinary shares (**Shares**) in lieu of directors' fees.

In principle, the proposal is that the relevant Non-Executive Directors be entitled, no later than 14 days after the end of each quarter, to elect to receive their quarterly payments of directors' fees in shares at an issue price equal to the volume weighted average price of Shares traded in the relevant quarter. This right to elect to be paid in Shares would apply both to fees which are currently owing and unpaid as well as to future fees payable in the 2 years after the date of approval. If such an election was made, the Shares would be issued no later than 6 months after the date of the election.

The Shares are proposed to be issued to John Lindsay and David Brant (**Participating Directors**) under Redflow's Share and Option Plan (**ESOP Plan Rules**). The ESOP Plan Rules are available for inspection on the ASX's announcements platform or on request from the Company Secretary. The key terms of the ESOP Plan Rules are set out in the paragraphs below.

6.2 Participating Directors Remuneration

As at the date of this Annual General Meeting, Messrs Lindsay and Brant have the following fee entitlements:

Director	Yearly fee entitlement
John Lindsay	\$60,000
David Brant	\$60,000

Approval for payment of directors' fees in shares was sought for Messrs Johnson and Knox at the Annual General Meeting in 2019.

6.3 ASX 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 John Lindsay and David Brant are Directors of the Company, the proposed issue of Shares under Resolutions 5 and 6 fall within Listing Rule 10.14.1. Accordingly, approval of the Shareholders is sought under Listing Rule 10.14 for the proposed issue of Shares to the Participating Directors.

If Resolution 5 is passed, the Company will be able to issue Shares to John Lindsay in lieu of \$120,000 of directors' fees over the next two years and approval will not be required under Listing Rule 7.1. However, Resolution 5 is not passed, Redflow will need to pay John Lindsay his directors' fees from its cash reserves.

If Resolution 6 is passed, the Company will be able to issue Shares to David Brant in lieu of \$120,000 of director's fees over the next two years and approval will not be required under Listing Rule 7.1. However, Resolution 6 is not passed, Redflow will need to pay David Brant his director's fees from its cash reserves.

6.4 Corporations Act requirements

Shareholder approval under Chapter 2E of the Corporations Act (related party benefits) is not required because the Shares will be issued in satisfaction of the directors' fees owed to the Participating Directors. Accordingly, the issue of Shares is considered to be reasonable remuneration and falls within the exception to the requirement for shareholder approval.

6.5 Key terms of the ESOP Plan Rules

The key terms of the ESOP Plan Rules are:

- (l) **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**).
- (m) **Description** – a plan under which Eligible Persons may become holders of Shares and Options in Redflow.
- (n) **Voluntary participation** – participation in the plan by Eligible Persons is voluntary and no Eligible Person is required to participate in the plan.
- (o) **Invitations to participate** – the Board may make invitations to any Eligible Person at any time.
- (p) **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.
- (q) **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.
- (r) **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.
- (s) **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.
- (t) **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.
- (u) **Governing law** – the plan is governed by the law of Queensland.

6.6 Other information required by Listing Rule 10.15:

The following information is provided for the purposes of Listing Rule 10.15:

<p>Maximum number of Shares that may be acquired by the relevant non-executive Directors (Participating Directors)</p>	<p>Up to 4,000,000 Shares to Mr David Brant Up to 4,000,000 Shares to Mr John Lindsay Based on a \$0.03 share price as at close of business on 5 October 2020.</p>
<p>The Number of Shares previously issued to the Participating Directors under the ESOP Plan Rules and the average acquisition price (if any)</p>	<p>Since the last approval, the participating directors have received the following Shares in lieu of directors' fees:</p> <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 \$0.0421. 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>Date by which Shares will be granted</p>	<p>Within 6 months of the date of the election to take Shares in lieu of fees.</p> <p>In any event, Shares will be issued no later than 3 years from the date of the Annual General Meeting.</p>
<p>Price for each share to be acquired under the scheme</p>	<p>The Shares will be issued for Market Value.</p> <p>Market Value means the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) (VWAP) of all shares sold on the ASX automated trading system during the relevant quarter to which the unpaid fees relate, excluding sale of shares which:</p> <p>(a) are sold otherwise than in the ordinary course of trading (which include but are not limited to transactions defined in the ASX Operating Rules as special crossings, crossing prior to the commencement of the open session state, portfolio special crossings, combinations, crossings during overnight trading, overseas trades or trades pursuant to the exercise of options over shares); and</p> <p>(b) the Board determines should be excluded on the basis that they are not genuinely reflective of genuine supply and demand.</p> <p>If no shares are sold on a trading day, the average daily VWAP on that day will be deemed to be the last price at which shares are sold on the ASX automated trading system.</p>

Terms of loan in relation to the grant of Shares	Not applicable
Required Statements	<p>Details of any securities issued under the Plan Rules 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 of securities 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 Rules after the resolution 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>

6.7 Voting exclusions

Please note that voting exclusions apply to Resolutions 5 and 6 – please see the voting exclusions in the notes to these Resolutions.

The Directors (with Messrs Brant and Lindsay abstaining in relation to their respective resolutions) recommend that Shareholders vote in favour of Resolutions 5 and 6.

7 Resolution 7 – Election of Non-Board Endorsed Candidate

7.1 Director candidate

The following information has been provided by Mr You (Hunter) Jiang in relation to his self-nomination as a Director. Redflow has not independently verified the information provided by Mr Jiang and makes no representation as to its accuracy. The Board does not endorse Mr Jiang for election as a Director for the reasons set out in Section 7.2.

Hunter Jiang is an experienced senior executive and successful entrepreneur, with particular depth of experience and knowledge of the Asian market. He has assisted numerous high-tech companies to successful initial public offerings in the Hong Kong market, and has a successful track record in dealing at the highest level with stakeholders including state-owned enterprises, multinational foreign companies and large private enterprises in the Asian renewable energy sector.

Mr Jiang's executive experience includes the following:

- *Chief Executive Officer of GCL Poly, one of the largest solar energy companies in the world, from 2008 to 2012. During his tenure, GCL Poly's market capitalisation grew from HKD2.5 billion to HKD80 billion. Achievements included Mr Jiang securing a HKD5.5 billion investment in GCL Poly by the China Investment Corporation (CIC), and raising USD1.5 billion for the company in 2008.*
- *Chief Executive Officer of Shanghai Alison Group Co. Ltd from 2005 to 2007 – a manufacturer of steel pipe, petrochemicals and specialty packaging based in Shanghai.*
- *Chief Executive Officer of IPC Corp, China from 1998 to 2005 – a wholly-owned subsidiary of IPC Corporation Ltd, a company listed on the Singapore Stock Exchange, with businesses including technology investment and property development.*

If elected as a Director of Redflow, Mr Jiang believes he can provide valuable guidance and assistance in relation to strategy in the Asian market, given his extensive experience and business network in the region. Mr Jiang wishes to work constructively with the Board and management in optimising opportunities in Asia, which he considers are likely to deliver substantial benefits to the Company and shareholders.

Mr Jiang's has a Bachelor's degree in accounting from Shanghai Lixin University of Commerce, a degree in English from the East China Normal University Shanghai, and an MBA from Macau University of Science and Technology.

7.2 Past engagement

Mr Jiang has approached the Board over the last 12 months with confidential and incomplete strategic proposals which, in broad terms, involve Redflow focussing predominantly on the China market under the leadership and operational management of Mr Jiang.

The Board engaged with Mr Jiang and invited him to formalise his proposals in writing with appropriate detail including the outline of a business plan, key implementation actions, timing, resourcing and funding requirements, so that the Board could further assess his ideas.

To date, the Board has not received the information requested. Accordingly, the Board does not consider that it has a reasonable basis to progress further discussions with Mr Jiang.

The Board is open to re-assessing its position if further meaningful information is provided. However, in the absence of meaningful information the Board considers it appropriate to continue with its current strategy.

7.3 Why the Board does not support the election of Mr Jiang

The Board has a structured process to identify and nominate potential new directors.

In considering new director appointments, the Board's usual practice is to conduct a search for the best available candidates with the skills, experience, expertise, personal qualities and attributes to best complement the skill set and characteristics of the existing directors and enhance Board effectiveness. The self-nomination of Mr Jiang has not been through this rigorous process.

Accordingly, the Board does not believe it is in the best interests of the Shareholders that Mr Jiang be elected as a Director.

The Directors unanimously recommend that Shareholders vote against this Resolution.



Redflow Limited
ABN 49 130 227 271

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Redflow Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X999999999999

PROXY FORM

I/We being a member(s) of Redflow Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Brisbane time) on Thursday, 26 November 2020** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/RFX20> (refer to details in the Virtual Meeting Online Guide).

Important for Resolutions 1, 4, 5 & 6: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4, 5 & 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1 to 6 and against Resolution 7.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval for potential issue of shares to John Lindsay in lieu of director fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of David Knox as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval for potential issue of shares to David Brant in lieu of director fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Enhanced Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Election of non-Board endorsed external nominee as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for grant of performance rights to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 * 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 votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

RFX PRX2001N



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Brisbane time) on Tuesday, 24 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

Redflow Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)