

6 October 2017

### Notice of Special Meeting of Shareholders

Notice is hereby given that a special meeting (**Meeting**) of the shareholders of Windflow Technology Limited (**Company**) will be held at The City View Room, Quality Hotel Elms, 456 Papanui Rd, Christchurch on Friday, 20 October 2017 at 7:30 pm.

Please ensure you read the following notified motion together with the Explanatory Notes attached to this Notice of Special Meeting of Shareholders (**Notice of Meeting**). Capitalised terms in this Notice of Meeting that are not otherwise defined in this Notice of Meeting have the meaning given in the Explanatory Notes unless the context requires otherwise.

#### BUSINESS

- A. **Welcome**
- B. **Apologies and Proxies**
- C. **Notified Motion for ordinary and special resolution of shareholders**
- D. **Other Business**

#### RESOLUTIONS

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

- 1) **Approval of debt settlement transaction:** That under NZAX Listing Rule 9.2.1, the Directors of the Company are authorised to settle the Company's and its subsidiaries' outstanding debts with David Walter Iles (totalling approximately \$23.87 million as of 30 September 2017) by transferring all of the Company's shares in Windflow UK Limited to David Walter Iles and by the Company agreeing to undertake operations and maintenance activities in respect of the assets owned or maintained by Windflow UK Limited or its subsidiaries (**Transaction**) and the directors are further authorised for any other purpose to undertake all actions relating to the terms of debt settlement agreement as set out in this Notice.

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

- 2) **Major Transaction:** That the Transaction intended by Resolution 1 and as further described in this Notice of Meeting is approved for the purposes of NZAX Listing Rule 9.1.1, section 129 of the Companies Act 1993, the Company's Constitution or for any other purpose.

#### Interdependence of Resolutions

All of the resolutions contained in this Notice of Meeting (**Resolutions**) are interdependent and must all be passed by shareholders in order for any one of those resolutions to be effective.

#### Other Business

To consider any other matter that may properly be brought before the Meeting.

## Proxies

All shareholders are entitled to attend and vote at the Meeting or to appoint a proxy (who need not be a shareholder of the Company) or corporate representative (in the case of a corporate shareholder) to attend the Meeting and vote on their behalf.

If you wish, you may appoint "The Chairman of the Meeting" as your proxy or as an alternative to your named proxy. The Chairman of the Meeting intends to vote any discretionary proxies in favour of the resolution set out in this Notice of Meeting. A proxy form is enclosed with this Notice of Meeting. Neither the Chairman of the Meeting, nor any director, is an Associated Person of David Iles under the Listing Rules.

To appoint a proxy please complete, sign and return the enclosed proxy form to Link Market Services Limited by delivery, mail, email or fax:

**By delivery:**

Windflow Technology Limited  
C/- Link Market Services Limited  
Level 11, Deloitte House  
80 Queen Street  
Auckland

**By mail:**

Windflow Technology Limited  
C/- Link Market Services Limited  
PO Box 91976  
Auckland 1142

**Email:** [meetings@linkmarketservices.co.nz](mailto:meetings@linkmarketservices.co.nz) (please put the words "*Windflow Technology Ltd Proxy Form*" in the subject line for easy identification)

**By fax:** +64 9 375 5990

The completed proxy form must be received by no later than 5:00 pm on 18 October 2017.

## Ordinary Resolution

Resolution 1 is an ordinary resolution. An ordinary resolution is a resolution that is approved by a simple majority of votes of those shareholders entitled to vote and voting on the resolution in person or by proxy.

## Special Resolution

Resolution 2 is a special resolution. A special resolution is a resolution that is approved by 75% of votes of those shareholders entitled to vote and voting on the resolution in person or by proxy.

If Resolutions 1 and 2 are passed, any shareholder who has cast all votes attached to their shares (and having the same beneficial owner) against Resolution 2 is entitled to require the Company to purchase their shares by giving notice under section 111 of the Companies Act 1993 (**Act**). The Company must purchase those shares unless it obtains relief under section 114 or section 115 of the Act. The Company would seek relief if as a consequence of the exercise of such rights, the Board formed the view that any of the grounds set out in section 114 or 115 of the Act existed.

Shareholders should note that the Act provides for the Company to acquire (or procure the acquisition of) the relevant shares at a fair and reasonable price as at the close of business on the day before the date of the Meeting.

Shareholders considering exercising this right are strongly encouraged to first seek independent professional advice from a financial adviser. In particular, if you do desire to exit your shareholding, seek advice on whether you may get better value for your shares by selling on-market against exercising these rights.

## Restrictions on voting

In relation to Resolution 1 and pursuant to NZAX Listing Rule 9.3.1, none of David Walter Iles nor any of his 'Associated Persons' (as that term is defined in NZAX Listing Rule 1.7) shall be entitled to vote on Resolution 1 (**Restricted Resolution**). David Walter Iles is a related party (as that term is defined in NZAX Listing Rule 9.2.3) of the Company due to David Walter Iles holding 42.1% of the voting rights in the Company and a party to the proposed Transaction that is the subject of this resolution.

David Walter Iles and his Associated Persons are also precluded from acting as a discretionary proxy of any other shareholder entitled to vote on a Restricted Resolution, but may vote on a Restricted Resolution as a proxy if voting in accordance with the appointing shareholder's express instructions.

For clarity, these restrictions on David Walter Iles and his Associated Persons (if any) do not apply to Resolution 2 when put as a special resolution for the purposes of NZAX Listing Rule 9.1.1, section 129 of the Act, the Company's Constitution or for any other purpose.

Holders of Preference Shares shall be entitled to receive notice of special meetings of the Company but not to vote thereat unless the business of a meeting includes consideration of a resolution which directly or adversely varies any of the special rights attached to the Preference Shares, in which case holders of Preference Shares may only vote in respect of such resolution and each such holder shall have one vote for each ordinary share into which the Preference Share held may at such time be converted by such holder. In this instance, holders of Preference Shares shall not be entitled to vote on either resolution because no variation of the special rights attached to the Preference Shares is being considered (noting that the outstanding Preference Shares will be converted pursuant to Resolution 1 under the Company's existing rights attached to them.)

## NZX Approval

This notice of meeting has been approved by NZX Limited (**NZX**). However, NZX does not take responsibility for any statement contained in this notice of meeting.

Yours faithfully,  
for and on behalf of the Board of Directors



Geoff Henderson  
Director/Chief Executive Officer

## EXPLANATORY NOTES

1. These Explanatory Notes relate to all of the Resolutions set out in the Notice of Meeting.

### Timetable

2. The proposed Transaction timetable is as follows:

Event	Indicative Timing
Shareholder Approval of the Transaction	20 October 2017
Completion of the Transaction	Approximately 10 Business Days after all conditions to the Transaction have been fulfilled. The latest date the conditions can be met is 31 December 2017.
Conversion of RCPS into Ordinary Shares	On Completion, approximately 10 Business Days after the conditions to Transaction have been fulfilled.

### Background

3. Mr David Iles is a shareholder of the Company and, as at the date of this Notice of Meeting, holds approximately 42.1% of the total number of ordinary shares and 95.3% of redeemable convertible preference shares (**RCPS**) on issue in the Company.
4. In July 2012, the shareholders of the Company gave approval by special resolution for the Company and its wholly owned subsidiaries Windflow UK Limited (**WUK**) and Windflow Hammer Limited (**WHL**) (together, with its other subsidiaries, the **WTL Group**) to enter into a term loan agreement (**Loan**) with Mr Iles whereby Mr Iles provided advances to WUK to fund wind turbine projects in the United Kingdom (**UK**). The Company and WHL provided guarantees in respect of WUK's obligation under the Loan (**Guarantees**). The Guarantees are secured against the assets of WUK and WHL (**Securities**). As at 30 September 2017, the aggregate liability under the Loan is £12.1 million (\$22.41 million at £0.54/\$). No payments of principal or interest have been made under the loan since 30 June 2016.
5. Since July 2012, the WTL Group has installed eight turbines in Scotland, of which:
  - (i) two have been sold to third parties (New Holland and Easter Aberchalder turbines);
  - (ii) two are owned 100% by WTL Group subsidiaries (Westray and Ludenhill turbines);
  - (iii) one is currently owned by a third party but, pursuant to a loan agreement between WUK and the third party, is to be transferred to WUK or WHL in the near future (Cuddyhouse Road turbine); and
  - (iv) three are owned 90% by a WTL Group subsidiary (Monan wind farm),  
(Westray, Ludenhill, Monan and Cuddyhouse Road being the **UK Assets**).
6. A diagram showing the WTL Group structure and the ownership of the UK Assets is set out in Attachment 1 of these explanatory notes.

7. Pursuant to the terms of the Loan, quarterly repayments of the Loan were due to be paid from July 2015 and paid over a 7 year period. Since July 2015, the WTL Group has not been in a position to make these repayments. Further, as the WTL Group continues to have negative equity, the Company is in breach of the loan covenants which entitles Mr Iles to immediately call the Loan. Accordingly, the Company has relied, and continues to rely, on Mr Iles' continuing support for the Company in order for the Company to meet its financial obligations and remain a going concern.
8. In particular, since 20 October 2015, Mr Iles has provided the Company with letters of support confirming his continued support for the Company by agreeing to continue to provide sufficient cash funding (through additional loans and injections of equity) and delaying the Company's repayment obligations in respect of the Loan. As mentioned in the Company's 2016 Annual Report, this support was a significant factor in the Directors' consideration that the Company remains a going concern. The current letter of support expires on 31 October 2017. Mr Iles has indicated that further support will not be provided following that date.
9. In addition to the Loan, Mr Iles has supported the Company by subscribing for a large majority of the RCPS on issue. Pursuant to the terms of the RCPS, Mr Iles is owed (as at 30 September 2017) \$1.45 million in unpaid preferential dividends in respect of the RCPS (**RCPS Dividend**). The RCPS Dividend continues to accrue until the RCPS are converted or redeemed in accordance with the terms of the issue. The total amount owed to Mr Iles under the Loan and the RCPS Dividend is approximately \$23.87 million as at 30 September 2017.
10. On 18 October 2016, the Company announced its decision to stop future wind farm projects in the UK due to adverse changes in the UK renewable energy market. The Company subsequently restructured its UK operations to focus solely on the maintenance of the UK Assets.
11. In 2017, the Company and Mr Iles began discussions regarding the Company's debt obligations to Mr Iles and the inability of the Company to repay that debt in the foreseeable future. The Company and Mr Iles agreed that, in return for Mr Iles acknowledging full repayment of all outstanding debts and releasing the WTL Group from the related Guarantees and Securities, the Company would:
  - (i) transfer all of its shares in WUK to Mr Iles; and
  - (ii) convert, in accordance with the terms of issue, Mr Iles' RCPS (together with all other RCPS issued in the same offer) at a rate of 3 ordinary shares in the Company for 1 RCPS.
12. While the Directors of the Company and Mr Iles consider the value of the UK Assets to be worth materially less than the total debt owed to Mr Iles by the Company, the Transaction would benefit both parties as:
  - (i) it allows Mr Iles to recover a portion of the total debt owed by the Company;
  - (ii) it would restore the Company to positive equity, thus maximising its ability to continue as a going concern; and
  - (iii) both parties would avoid any costs associated with the potential future enforcement of the Guarantees or Securities.
13. If the Transaction does not proceed, Mr Iles has made no further commitments to provide further support for the Company and has indicated that he would consider exercising his rights under the Loan, the Guarantees and the Security. This is likely to result in an insolvency process for the Company.

14. On 28 June 2017, the Company and Mr Iles entered into a binding term sheet (**Term Sheet**) in respect of the Transaction.
15. The Term Sheet was subject to a number of conditions including:
- (i) completion of due diligence to the satisfaction of Mr Iles;
  - (ii) agreement by Mr Iles and the Company on the valuation of WUK; and
  - (iii) approval by the Company's shareholders pursuant to the NZAX Listing Rules and Companies Act 1993.
16. Following completion of due diligence and agreement on the valuation of WUK, the provisions of the Term Sheet were then incorporated into (and will be surpassed by) conditional and legally binding agreements, being a Debt Settlement and Share Transfer Agreement between the Company and Mr Iles on the material terms set out in this Notice of Meeting and the final form of a Management, Operations and Maintenance Agreement under which the Company agrees to provide management, operations and maintenance services regarding the ongoing operation of the business of the WUK group entities from and after settlement of the transaction (**Transaction Documents**).
17. The Transaction is conditional (among other things) on the Resolutions being passed. If the Resolutions are passed, the Transaction is intended to be completed within 10 business days following the conditions of the Transaction being fulfilled (with the latest date that this can occur being 31 December 2017) (**Completion**)..
18. The key terms of the Transaction Documents are as follows:
- (i) The Transaction Documents are conditional upon shareholder approval pursuant to the NZAX Listing Rules and Companies Act 1993.
  - (ii) The key commercial terms of the Transaction Documents are as follows:
    - a) Mr Iles will acknowledge repayment of the outstanding debt (being the Loan, the RCPS Dividend and all other interest and dividend accrued up to the date of settlement of the Transaction) and fully and irrevocably release the WTL Group of all obligations in connection with such debt (including the Guarantees and Securities) in exchange for all the Company's shares in WUK and conversion of Mr Iles' RCPS;
    - b) In the event that Mr Iles subsequently transfers to a third party or parties, within 12 months following settlement of the Transaction, the UK Assets (in whole or part) at a value exceeding the value of the total debt owed to Mr Iles by the Company as at settlement of the Transaction, Mr Iles will pay an amount representing the difference in value to the Company;
    - c) Mr Iles will provide financing and acknowledgement of repayment as part of the outstanding debt to the Company to the extent necessary to enable to the Company to pay any outstanding dividends to the other holders of RCPS and also to pay any interest that may become owing to NZ Windfarms Limited in respect of its convertible notes up to their maturity date of 1 November 2018;
    - d) The Company will provide assistance for the management, operations and maintenance of the UK Assets under the Management, Operations and Maintenance Agreement, in exchange for a services fee from WUK, which will be approximately \$500,000 per year. This assistance will comprise four categories of services:
      - Part-time Managing Director Services;
      - Operational and Management Services;

- Administrative Services; and
  - Technical Services,
- e) Under the first category, the Company will, among other things, assist Mr Iles and WUK to finalise a transaction between WUK and Midland Green Power Limited (and the Estate of Mr Kamallesh Joshi) regarding the transfer of the Cuddyhouse Road wind turbine assets to a WUK group company;
  - f) Under the second category, the Company will, among other things, provide day-to-day management and instruction regarding the dispatch of WUK's maintenance team based in Inverness to carry out scheduled and unscheduled maintenance of the eight turbines in Scotland;
  - g) Under the third category, the Company will, among other things, provide reporting and accounting services for WUK to its shareholder;
  - h) Under the fourth category, the Company will provide technical support in relation to the operation and maintenance (scheduled and unscheduled) of the eight turbines in Scotland;
  - i) The Company gives a non-compete covenant preventing the Company from competing with the business of the UK Assets until the earlier of Mr Iles selling the UK Assets to a third party or 1 year from the completion of the Transaction;
  - j) The Company assigning a contingent receivable associated with the wind turbines to WUK.
  - k) The Transaction is conditional on the Resolutions and certain other non-material conditions;
  - l) During the period prior to settlement of the Transaction, the Company commits not to undertake material transactions or capital raising transactions without the consent of Mr Iles, and commits to ensure that the WUK group companies are operated in the ordinary course of business;
  - m) The Company agrees to license certain intellectual property to the WUK group to enable them to operate and maintain the UK Assets;
  - n) In the event that, within 12 months following settlement of the Transaction, assets are identified that are material to the UK Assets and such assets should have been transferred as part of the Transaction, WTL agrees to transfer those to WUK or its subsidiaries ;
  - o) The Company gives limited warranties about its ability to enter into the Transaction, and the capital structure and status of the WUK group entities;
  - p) Other than the above commitments, the Company gives no warranties to WUK regarding availability or performance of the UK assets.

### **Effect of Resolutions passing**

19. Both Resolutions are interdependent and so all must be passed by shareholders in order for the Transaction to proceed. If the Transaction is approved:

- (i) the Company will transfer all its shares in WUK to Mr Iles. As all of the Company's UK Assets are held by WUK, or a subsidiary of WUK, the Company will no longer have any interest in the UK Assets (other than the Company's management of the UK Assets for a period of time in accordance with the Management, Operations and Maintenance Agreement);

- (ii) the Company's will be fully and irrevocably released from all of its obligations in respect of the \$23.87 million debt owed by the WTL Group to Mr Iles;
  - (iii) the Company will return to positive equity, thus maximising its ability to continue as a going concern;
  - (iv) following the conversion of the RCPS on issue, Mr Iles will hold approximately 73% of the ordinary shares on issue in the Company.
20. If the Transaction is approved, it is intended that the Company continue as a going concern without continuing to rely on the sole support of its largest shareholder, with a small engineering team, primarily focussed on managing the operation and maintenance of the UK turbines. The Company also intends to address licensing opportunities as they arise. The Company is presently downsizing so that its overheads are at a level which is expected to be sustainable based on known revenue sources (including the management contract with WUK).
21. While the Transaction will mean that Company will no longer have equity in WUK's revenue-generating turbine assets, if the Transaction were not to proceed, the net value of that revenue to the Company would be negative for the next seven years because of the need to repay the Loan. Thus, by providing a portion of WUK's revenue to the Company while cancelling the Loan, the Transaction will have a positive overall effect on the Company's revenue.

#### **Effect of Resolutions not passing**

22. Both Resolutions are interdependent and so all must be passed by shareholders in order for the Transaction to proceed. If the Transaction is not approved:
- (i) the Company will not transfer its shares in WUK and the UK Assets will remain owned by the WTL Group;
  - (ii) the Company and the WTL Group will remain liable to Mr Iles in respect of the Loan and the RCPS Dividend. If the WTL Group is required to repay the Loan in accordance with its terms (or if Mr Iles was to immediately call the Loan due to the Company's breach of its loan covenants) the WTL Group would not be able to make the repayments, would become insolvent and would most likely cease to trade; and
  - (iii) Mr Iles will continue to hold his RCPS upon their existing terms.

#### **Requirement for Shareholder Approval**

23. Shareholder approval for Resolution 1 is required under NZAX Listing Rule 9.2.1(a). Resolution 2 seeks approval under section 129 of the Companies Act 1993, NZAX Listing Rule 9.1.1(b), the Company's Constitution and for any other purpose. How the Transaction triggers these requirements is set out below.
24. Due to the nature of the Transaction:
- (i) Shareholder approval by special resolution is required under section 129 of the Companies Act 1993 as the Transaction involves the disposition of, or an agreement to dispose of, whether contingent or not, assets of the company the value of which is more than half the value of the company's assets before the disposition. This is because the value of WUK on the WTL Group balance sheet is \$11.9 million, which is more than half the value of the WTL Group assets \$15.8 million as at the date of the Notice.
  - (ii) Shareholder approval by special resolution is required under NZAX Listing Rule 9.1.1 as the transaction involves the disposal of assets in respect of which the gross value is in excess of 50% of the average market capitalisation of the Company. This is because the value of the assets being disposed of on the WTL Group balance sheet is \$11.9 million, which is in excess



of 50% of the average market capitalisation of the Company (which has been in the range of \$0.386 to \$1.544 million in recent months).

- (iii) Shareholder approval by ordinary resolution is also required under NZAX Listing Rule 9.2.1 as the transaction constitutes a Material Transaction with a Related Party (as those terms are defined in the NZAX Listing Rules) and, as such, requires shareholder approval by ordinary resolution. This also means that this transaction must be approved on the basis that none of Mr Iles nor any of his Associated Persons (as that term is defined in NZAX Listing Rule 1.7) is entitled to vote on Resolution 1 (when put as an ordinary resolution), as Mr Iles is a Related Party (as that term is defined in NZAX Listing Rule 9.2.3) of the Company and a party to the Transaction. The directors' certificate as required by NZAX Listing Rule 9.2.5(b) is enclosed at Attachment 1.
- (iv) Given that Mr Iles and his Associated Persons are entitled to vote on the special resolution but not the ordinary resolution, approval for the Transaction was split into two separate resolutions.
- (v) If Resolutions 1 and 2 are passed, any shareholder who has cast all votes attached to their shares (and having the same beneficial owner) against Resolution 2 is entitled to require the Company to purchase their shares by giving notice under section 111 of the Companies Act 1993 (**Act**). The Company must purchase those shares unless it obtains relief under section 114 or section 115 of the Act. The Company would seek relief if as a consequence of the exercise of such rights, the Board formed the view that any of the grounds set out in section 114 or 115 of the Act existed. Shareholders should note that the Act provides for the Company to acquire (or procure the acquisition of) the relevant shares at a fair and reasonable price as at the close of business on the day before the date of the Meeting. Shareholders considering exercising this right are strongly encouraged to first seek independent professional advice from a financial adviser. In particular, if you do desire to exit your shareholding, seek advice on whether you may get better value for your shares by selling on-market against exercising these rights.

### **RCPS Conversion**

- 25. The conversion of the RCPS and the subsequent issue of ordinary shares upon their conversion was approved by special resolutions of shareholders and preference shareholders at meetings on 25 June 2014 and 30 November 2015. Accordingly, no further shareholder approval is required for the RCPS Conversion.

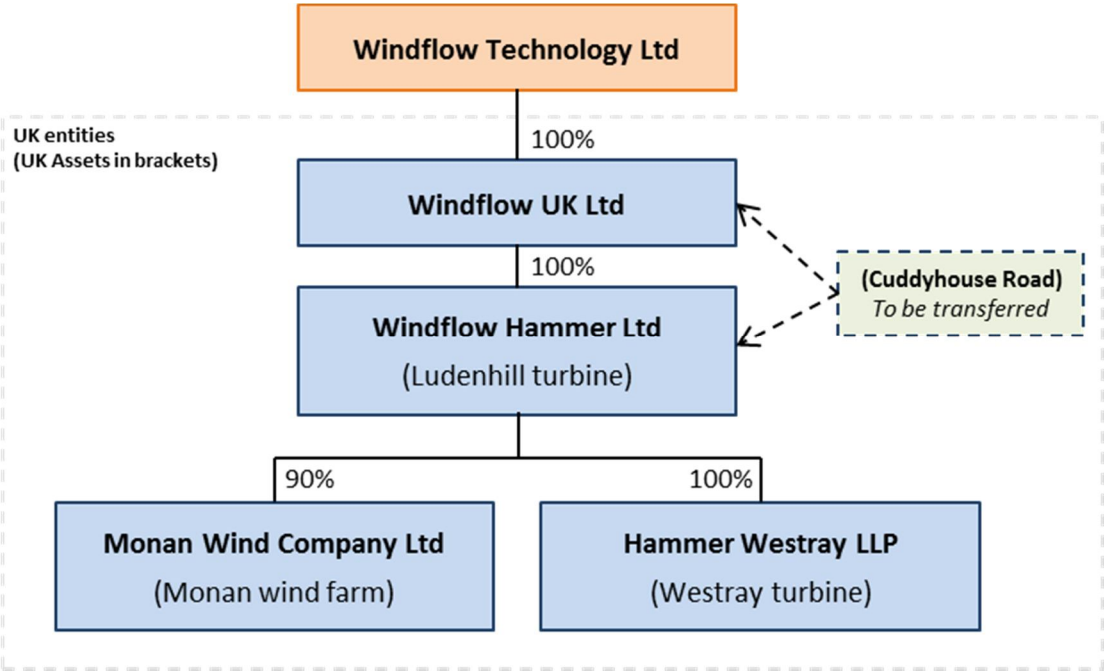
### **PART 3: Director's recommendation for Resolution 1**

- 26. The Directors believe that terms of the Transaction are fair and reasonable to shareholders and in the best interests of the Company for the following reasons:
  - (i) The consideration being given in exchange for the shares of WUK is not less than the value of WUK and its assets. We base this statement on accounting valuations and other valuation methods:
    - a) The consideration being given is to extinguish liabilities in the WTL Group balance sheet of \$23.87 million, whereas the value in the WTL Group balance sheet of Windflow UK is \$10.20 million. This accounting valuation is based on the \$11.37 million "original costs" of the WUK assets, less \$1.17 million of accumulated depreciation. Note that the "original costs" did not reflect the true full costs of the assets because they have been recorded in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), which require that internal costs and overheads not be counted when valuing the turbines as fixed assets;
    - b) Based on our detailed knowledge of those assets, we assess the net present value of the turbines' future earnings (at discount rates which are at the realistic

commercial limit in terms of maximising that net present value) and all other foreseeable earnings of Windflow UK as being less than \$23.87 million,

- (ii) Mr Iles has given a commitment that, if he realises any of the UK Assets at a value that values them at more than the value of the debt owed to him by the WTL Group from any sale of WUK in the next 12 months, he will transfer the difference in such values to the Company for the benefit of the shareholders;
  - (iii) Mr Iles has shown great support of the WTL Group, among other things by deferring the commencement of the contracted Loan repayments, which were originally contracted to commence in 2015. In the event that shareholders do not approve the Resolutions so that the Transaction cannot proceed, the WTL Group would not be able to make the repayments, would become insolvent and would probably cease to trade;
  - (iv) The Transaction will restore the Company to positive equity, thus maximising its ability to continue as a going concern.
27. It is important to note that the Loan has funded all of the WTL Group's costs to build the six wind turbine projects that WUK still owns, including WTL Group internal costs and overheads. However NZ IFRS requires that those internal costs and overheads not be counted when valuing the turbines as fixed assets. So the WTL Group has negative equity, primarily because it has been accumulating a liability on its balance sheet (the Loan) which is inherently much larger than the allowed value of the assets that the Loan has been invested to acquire. This is a legacy of the low number of turbine projects which it was able to build in the UK from 2012 until 2016 (when it ceased to operate as a developer there). The Transaction offers a way to restructure the WTL Group finances to the benefit of the Company.
28. Accordingly, the Directors recommend that shareholders approve Resolutions 1 and 2.

Attachment 1



## **Attachment 2**

### **Directors' Certificate (NZAX Listing Rule 9.2.5(b))**

## **Directors' Certificate**

### **Windflow Technology Limited (Company)**

Certificate given by the directors of the Company relating to material transactions, in accordance with NZAX Listing Rule 9.2.5(b).

#### **1. Background**

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##### **1.1 Noted that:**

1.1.1 the Company has agreed the material terms of a Debt Settlement and Share Transfer Agreement with David Walter Iles and Windflow UK Limited and the transactions contemplated by that agreement are subject to shareholder approval; and

1.1.2 subject to completion of the above agreement and to the shareholder approval referred above, the Company proposes to enter into a Management, Operations and Maintenance Agreement with Windflow UK Limited.

1.2 Under the above agreements, David Walter Iles acknowledges the repayment of all current outstanding debts and releases the Company and its wholly owned subsidiaries from the related guarantees and security arrangements. In consideration for this, the Company will transfer its shares in Windflow UK Limited to David Walter Iles and convert all outstanding Redeemable Convertible Preference Shares held by him on a 3:1 basis in accordance with the terms of issue and complete the terms of the agreement.

#### **2. Certification**

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2.1 The Directors *certify* that, in their opinion, the proposal to enter into agreements with David Walter Iles and Windflow UK Limited, is fair and reasonable to the shareholders of the Company and is in the best interests of the Company, for the reasons set out in the attached Notice of Special Meeting.


**DATED 6 OCTOBER, 2017**

#### **SIGNATURE of Directors**

**Signed by**  
**GEOFFREY MORGAN HENDERSON**

  
\_\_\_\_\_  
Signature

**Signed by**  
**HEUGH MAUDSLEY KELLY**

  
\_\_\_\_\_  
Signature

**Signed by**  
**DUNCAN ERIC JAMES CURRIE**

  
\_\_\_\_\_  
Signature