

26 October 2018



To all Windflow Technology Limited Shareholders

Dear Shareholder

On 24 October 2018 an Annual General Meeting of Shareholders (**Annual Meeting**) of Windflow Technology Limited (**Company**) was held at The Elms Hotel, 456 Papanui Road, Papanui, Christchurch 8542 at which the shareholders resolved (among other business) as follows:

1. to approve the delisting of the Company with NZX Limited (**NZX**), including that its ordinary shares cease to be quoted on NZX's Alternative Market, the NZAX and that the Directors of the Company be authorised to undertake all actions and enter into any agreements and other documents necessary to achieve this outcome;
2. to approve the listing of the Company with Unlisted Securities Exchange (**Unlisted**), and in particular, authorise the Directors of the Company to:
 - a. enter into a listing agreement with Efficient Market Services Limited (**EMS**) such that the Company will be listed on Unlisted; and
 - b. request EMS that the Company have its ordinary shares quoted and traded on EMS' Unlisted trading platform when it ceases to be listed with NZX; and
 - c. undertake all actions and enter into any agreements and other documents necessary to achieve this outcome; and
3. to approve the revocation and replacement of the Company's Constitution with effect from the day after the Company delists from the NZX.

As a result, the Company is now in the process of delisting from NZX and listing its ordinary shares on Unlisted. Full details of the proposed timetable and the impact on you as an ordinary shareholder are set out in the accompanying Notice to Shareholders.

Should you have any queries please feel free to contact Geoff Henderson on 021 946 335 or via email at geoff.henderson@windflow.co.nz.

Yours sincerely

Windflow Technology Limited

Notice to Shareholders – Delisting from NZX and Listing on Unlisted

Key Terms

NZAX	<i>the Company's ordinary shares are quoted on NZX's Alternative Market, the NZAX.</i>
NZX	<i>is NZX Limited. The Company previously entered into a listing agreement with NZX in order for its ordinary shares to be quoted on the NZAX. The process the Company must go through to terminate this listing agreement is called "delisting".</i>
Unlisted	<i>means the Unlisted Securities Exchange. This is the trading platform that the Company intends to list on following its delisting from the NZX.</i>

Process of Delisting from the NZX and Listing on Unlisted

1. As shareholders approved the delisting of the Company from the NZX at the Annual Meeting, the Company will, after paying all fees owing to NZX, including the delisting fee, all NZX Regulation's fee for considering the delisting and any other amounts owing to NZX that are outstanding, have satisfied the conditions required for NZX approval for delisting under NZAX Listing Rule 5.4.1(b).
2. The Company expects to confirm its delisting from the NZX by close of business on 28 November 2018, with a trading halt commencing close of business on 26 November 2018 to ensure that all trades are settled prior to delisting.
3. The Company intends to enter into a listing agreement with EMS, such that the Company will be listed on Unlisted.
4. The Company expects to confirm with EMS the listing of its ordinary shares on the Unlisted market platform and begin trading on 29 November 2018.

Timetable

5. A timetable of key dates is set out below:

Key Date(s)	Impact on Ordinary Shareholders
26 October 2018 to 28 November 2018	Ordinary shares continue to be listed on NZX
26 November 2018	Trading halt commences on ordinary shares at close of business
28 November 2018	Windflow Technology Limited ordinary shares delist from NZX
29 November 2018	Ordinary share trading commences on Unlisted

Impact on Shareholders

6. The key impact on shareholders is simply that any share trading from 29 November 2018 will need to be undertaken on the Unlisted market rather than the NZAX as is the case at the present time. If you are not seeking to buy or sell your ordinary shares in the Company, there will be relatively little practical impact on you as an ordinary shareholder.

7. Company profitability for the 2019 financial year will be negatively impacted by between \$60,000 and \$75,000 arising from fees associated with the delisting process including:
 - a. NZX delisting fee;
 - b. NZX Regulation fees to review and approve the documents associated with delisting;
 - c. legal fees for advice requested by the Company; and
 - d. the costs associated with printing and distributing the notices to shareholders.

The above costs are all one off costs and will not recur in the future.

Share Registrar

8. Link Market Services Limited (**Link**) is the Company's share registrar and will continue to act as the Company's share registrar both prior to delisting from NZX and after listing and trading on Unlisted commences. Link will update the Company's share register with trading information it receives from NZX (prior to delisting from the NZX) and from Unlisted (after share trading commences on Unlisted).

Link's contact details are:

Windflow Technology Limited
C/- Link Market Services Limited
PO Box 91976
Auckland 1142
Email: enquiries@linkmarketservices.co.nz

Delisting from NZX

9. The Company is currently listed with NZX and its ordinary shares are quoted on the NZAX.
10. At 5pm on 26 November 2018 a trading halt will be placed on the Company's ordinary shares on the NZAX. This is to allow time for share trades to be settled by NZX prior to the Company's ordinary shares being delisted from the NZX at 5pm on 28 November 2018. Any trades placed prior to that trading halt will be processed in the normal way.
11. Shareholders will be able to continue trading their ordinary shares on the NZAX from today's date until 5pm on 26 November 2018.

Listing, Quotation and Trading on Unlisted

12. The Company's ordinary shares will begin to be quoted and traded on Unlisted from 9am on 29 November 2018.
13. Full information on trading your ordinary shares on Unlisted can be found on Unlisted's website www.unlisted.co.nz. Unlisted is a well-established facility which provides a cost effective share trading platform for shareholders that is public, transparent and centralised.

Buying and Selling Shares on Unlisted

14. Buying and selling the Company's ordinary shares on the Unlisted market is conducted using brokers who are approved to place orders on Unlisted. A list of Unlisted brokers can be found on Unlisted's website www.unlisted.co.nz/brokers. The Unlisted brokers are required to obtain a signed Investor Information and Disclaimer Form prior to placing an order to trade on the Unlisted market. This is a once only process to confirm you understand the regulatory position of the Unlisted market.
15. To trade shares on Unlisted, a shareholder will need to place an order to buy or sell shares with the Unlisted broker. The broker will put the 'buy or sell order' into the market. Upon the matching of an order, the broker is advised by Unlisted of such order being matched. The broker will be in touch with the shareholder in respect of arranging share transfer and settlement and will send the shareholder a 'share transfer form'.
16. The shareholder then needs to execute the share transfer form and send it back to the broker, who will arrange the share transfer and settlement. This may take several days longer than the two-day electronic settlement process currently used with NZAX based trades.
17. Most Unlisted brokers charge a similar fee as for an NZAX trade. No other fees are payable by the investor.
18. Shareholders will still be able to undertake off-market private sales in the usual way by updating the share registry, currently maintained by Link.

Obtaining Information on the Company's Shares

19. On Unlisted's website you can view market information and the current bids and offers listed on the market, recent company announcements and an Unlisted Issuer Profile which is prepared by Unlisted on each Issuer.
20. EMS, which operates Unlisted, accepts no responsibility for any statement in this Notice to Shareholders.

New Company Constitution

21. At the Annual Meeting, shareholders approved the revocation and replacement of the Constitution with effect from the day after the Company is delisted:
 - a. to remove the provisions that related to the NZAX Rules; and
 - b. to decrease minimum director numbers from three to two.
22. Following shareholder approval to replace the Constitution and reduce director numbers, Heugh Kelly retired from his position as a director of the Company effective from 28 November 2018 (the date the Company ceases to be listed with the NZX).