

**SECURITIES & EXCHANGE COMMISSION EDGAR FILING**

**Flux Power Holdings, Inc.**

**Form: 8-K**

**Date Filed: 2019-07-02**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 28, 2019

**FLUX POWER HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or Other Jurisdiction of Incorporation)

**000-25909**

(Commission File Number)

**86-0931332**

(IRS Employer Identification No.)

**2685 S. Melrose Drive, Vista, California**

(Address of Principal Executive Offices)

**92081**

(Zip Code)

**877-505-3589**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.**

(b) On June 28, 2019, Christopher L. Anthony notified the Board of Directors (the "Board") of Flux Power Holdings, Inc. (the "Company") that he will resign from the position of Chairman of the Board, effective June 28, 2019. Mr. Anthony's resignation was not due to a disagreement with the Company, its operations, policies, or practices. Effective immediately upon the resignation of Mr. Anthony, Ronald F. Dutt, currently the Chief Executive Officer, President, and Director of the Company, will serve as the Chairman of the Board.

(d) On June 28, 2019, the Board appointed Lisa Walters-Hoffert and Dale Robinette to the Company's Board of Directors.

Lisa Walters-Hoffert, age 60, will serve on the Company's Audit Committee, Nominations Committee, and Compensation Committee, and will chair the Audit Committee. Ms. Walters-Hoffert co-founded Daré Bioscience Operations, Inc. ("Daré") in 2015 and served as Daré's Chief Business Officer. Following Daré's business combination with Cerulean Pharma Inc. on July 19, 2017, she became the Chief Financial Officer of the renamed company, Daré Bioscience, Inc. During the 25 years prior to joining the team, Ms. Walters-Hoffert was an investment banker focused primarily on raising equity capital for, and providing advisory services to, small-cap public companies. From 2003 to 2015, Ms. Walters-Hoffert worked for Roth Capital Partners, an investment banking firm focused on providing investment banking services to such companies, most recently serving as Managing Director in the Investment Banking Division, overseeing the firm's San Diego office and its activities with respect to medical device, diagnostic and specialty pharma companies. At Roth Capital Partners, Ms. Walters-Hoffert trained and managed transaction deal teams and was responsible for the oversight of all aspects of transactions, including due diligence, internal communications with sales forces and external communications with institutional investors, among others. Ms. Walters-Hoffert has held various positions in the corporate finance and investment banking divisions of Citicorp Securities in San José, Costa Rica and Oppenheimer & Co, Inc. in New York City, New York. Ms. Walters-Hoffert has served as a member of the Board of Directors of the San Diego Venture Group, as Past Chair of the UCSD Librarian's Advisory Board and as Immediate Past Chair of the Board of Planned Parenthood of the Pacific Southwest. Ms. Walters-Hoffert graduated *magna cum laude* from Duke University with a B.S. in Management Sciences.

Dale Robinette, age 55, will serve on the Company's Audit Committee, Nominations Committee, and Compensation Committee, and chair the Compensation Committee and the Nominations Committee. Mr. Robinette was appointed to our Board on June 28, 2019. Mr. Robinette has been a CEO Coach and Master Chair since 2013 as an independent contractor to Vistage in addition to providing business consulting related to top-line growth and bottom line

improvement with his company EPIQ Development. Mr. Robinette has been a Board Director with LensLock since 2016, a policy body worn camera SaaS solution. From 2013 – 2019, Mr. Robinette was the Founder and CEO of EPIQ Space, the worlds leading product marketing website for the satellite industry, a member based community of suppliers promoting their offering. Mr. Robinette was with Peregrine Semiconductor from 2013 – 2019 in two roles as a Director of WW Sales as well as the Director of the High Reliability Business Unit. Mr. Robinette started his career from 1991 – 2007 at Tyco Electronics (today branded as TE Connectivity), a \$12 billion world leader in passive electronics in various sales, sales leadership and product development leadership roles. Mr. Robinette received a Bachelor of Science degree in Business Administration, Marketing from San Diego State University.

The Board has determined that James Gevarges, a current director of the Company, Lisa Walters-Hoffert and Dale Robinette satisfied the definition of “independent director” and the requirements for service on the Board’s Audit, Nominations, and Compensation Committees under the NASDAQ listing standards.

In connection with their appointment as directors of the Company, Dale Robinette and Lisa Walters-Hoffert entered into the Company’s form of indemnification agreement on June 28, 2019. Except as disclosed in this Current Report on Form 8-K, there are no arrangements or understandings with any other person pursuant to which Lisa Walters-Hoffert and Dale Robinette were appointed as directors of the Company. There are also no family relationships between Lisa Walters-Hoffert or Dale Robinette and any of the Company’s directors or executive officers. Except as disclosed in this Current Report on Form 8-K, Lisa Walters-Hoffert and Dale Robinette have no other direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

**Item 8.01 Other Events.**

***Establishment of Audit Committee and Adoption of Audit Committee Charter.***

On June 28, 2019, the Board established an audit committee (the “Audit Committee”) and approved and adopted a charter (the “Audit Committee Charter”) to govern the Audit Committee.

Each member of the Audit Committee will meet the independence requirements of NASDAQ, and the SEC, as well as any other applicable requirements. In addition to the enumerated responsibilities of the Audit Committee in the Audit Committee Charter, the primary function of the Audit Committee is to oversee the financial reporting and disclosure process. The establishment of the Audit Committee and the approval of the Audit Committee Charter are both effective on June 28, 2019. A copy of the Company’s Audit Committee Charter is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

***Establishment of Nominations Committee and Adoption of Nominations Committee Charter.***

On June 28, 2019, the Board established a nominating and corporate governance committee (the “Nominations Committee”) and approved and adopted a charter (the “Nominations Committee Charter”) to govern the Nominations Committee.

Each member of the Nominations Committee will meet the independence requirements of NASDAQ, and the SEC, as well as any other applicable requirements. In addition to the enumerated responsibilities of the Nominations Committee in the Nominations Committee Charter, the primary function of the Nominations Committee is to identify individuals qualified to become Board member, recommend nominated persons to the Board for election, develop and recommend to the Board corporate governance principles, and oversee the evaluation of the Board and committees of the Board. The establishment of the Nominations Committee and the approval of the Nominations Committee Charter are both effective on June 28, 2019. A copy of the Company’s Nominations Committee Charter is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

***Establishment of Compensation Committee and Adoption of Compensation Committee Charter.***

On June 28, 2019, the Board established a compensation committee (the “Compensation Committee”) and approved and adopted a charter (the “Compensation Committee Charter”) to govern the Compensation Committee.

Each member of the Compensation Committee will meet the independence requirements of NASDAQ, and the SEC, as well as any other applicable requirements. In addition to the enumerated responsibilities of the Compensation Committee in the Compensation Committee Charter, the primary function of the Compensation Committee is to assist the Board in carrying out its responsibilities with respect to compensation. The establishment of the Compensation Committee and the approval of the Nominations Committee Charter are both effective on June 28, 2019. A copy of the Company's Compensation Committee Charter is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

***Adoption of Code of Business Conduct and Ethics***

On June 28, 2019, the Board adopted a Code of Business Conduct and Ethics (the "Code") that applies to all of the Company's directors, officers, and employees. Any waivers of any provision of this Code for the Company's directors or officers may be granted only by the Board or a committee appointed by the Board. Any waivers of any provisions of this Code for an employee or a representative may be granted only by the Company's chief executive officer or principal accounting officer. The Company is filing a copy of the Code with the SEC as Exhibit 99.4 and will make it available on the Company's website at [www.fluxpower.com](http://www.fluxpower.com). In addition, the Company will provide any person, without charge, a copy of this Code. Requests for a copy of the Code may be made by writing to the Company at c/o Flux Power Holdings, Inc., 2685 S. Melrose Drive, Vista, California 92081.

**Item 9.01 Financial Statements and Exhibits**

<b>Exhibit No.</b>	<b>Exhibit Description</b>
<a href="#"><u>99.1</u></a>	Audit Committee Charter adopted by the Board on June 28, 2019.
<a href="#"><u>99.2</u></a>	Nominations Committee Charter adopted by the Board on June 28, 2019.
<a href="#"><u>99.3</u></a>	Compensation Committee Charter adopted by the Board on June 28, 2019.
<a href="#"><u>99.4</u></a>	Code of Business Conduct and Ethics adopted by the Board on June 28, 2019.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Flux Power Holdings, Inc.  
a Nevada corporation

/s/ Ronald F Dutt  
Ronald F. Dutt, Chief Executive Officer

Dated: July 2, 2019

**AUDIT COMMITTEE CHARTER  
OF  
FLUX POWER HOLDINGS, INC.**

ADOPTED: June 28, 2019

**1. Membership.**

1.1 The Audit Committee (the "Committee") of the board of directors (the "Board") of Flux Power Holdings, Inc. (the "Company") shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934 and the NASDAQ Listing Rules. No member of the Committee can have participated in the preparation of the Company's or any of its subsidiaries' financial statements at any time during the past three years.

1.2 Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member of the Committee must be an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.

1.3 The members of the Committee shall be appointed by the Board based on recommendations from the nominating and corporate governance committee of the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

1.4 The Board shall designate one member of the Committee as its chairperson. In the absence of such designation, the members of the Committee may designate a chairperson by a majority vote of the full Committee. In the event of a tie vote on any issue, the chairperson's vote will decide the issue.

**2. Purpose.** The primary role of the Committee is to oversee the financial reporting and disclosure process. To fulfill this obligation, the Committee relies on: management for the preparation and accuracy of the Company's financial statements; for establishing effective internal controls and procedures to ensure the Company's compliance with accounting standards, financial reporting procedures and applicable laws and regulations; and the Company's independent auditors for an unbiased, diligent audit or review, as applicable, of the Company's financial statements and the effectiveness of the Company's internal controls. The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

**3. Duties and Responsibilities.** The Committee shall have the following authority and responsibilities:

A. To (1) select and retain an independent registered public accounting firm to act as the Company's independent auditors for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting, (2) set the compensation of the Company's independent auditors, (3) oversee the work done by the Company's independent auditors and (4) terminate the Company's independent auditors, if necessary.

B. To select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

C. To approve all audit engagement fees and terms; and to pre-approve all audit and permitted non-audit and tax services that may be provided by the Company's independent auditors or other registered public accounting firms, and establish policies and procedures for the Committee's pre-approval of permitted services by the Company's independent auditors or other registered public accounting firms on an on-going basis.

D. At least annually, to obtain and review a report by the Company's independent auditors that describes (1) the accounting firm's internal quality control procedures, (2) any material issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues, and (3) all relationships between the firm and the Company or any of its subsidiaries; and to discuss with the independent auditors this report and any relationships or services that may impact the objectivity and independence of the auditors.

E. To review and discuss with the Company's independent auditors (1) the auditors' responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, (2) the overall audit strategy, (3) the scope and timing of the annual audit, (4) any significant risks identified during the auditors' risk assessment procedures and (5) when completed, the results, including significant findings, of the annual audit.

F. To review and discuss with the Company's independent auditors (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (3) other material written communications between the auditors and management.

G. To review with management and the Company's independent auditors: any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative GAAP methods; and the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

H. To keep the Company's independent auditors informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the company; and to review and discuss with the Company's independent auditors the auditors' evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.

I. To review with management, and the Company's independent auditors the adequacy and effectiveness of the Company's internal controls, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's internal controls and any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such internal controls, and review and discuss with management and the Company's independent auditors disclosure relating to the Company's internal controls, and the independent auditors' report on the effectiveness of the Company's internal control over financial reporting and the required management certifications to be included in or attached as exhibits to the Company's annual report on Form 10-K or quarterly report on Form 10-Q, as applicable.



J. To review and discuss with the Company's independent auditors any other matters required to be discussed by applicable auditing standards, including, without limitation, the auditors' evaluation of the quality of the company's financial reporting, information relating to significant unusual transactions and the business rationale for such transactions and the auditors' evaluation of the company's ability to continue as a going concern.

K. To review and discuss with the Company's independent auditors and management the Company's annual audited financial statements (including the related notes), the form of audit opinion to be issued by the auditors on the financial statements and the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's annual report on Form 10-K before the Form 10-K is filed.

L. To recommend to the Board that the audited financial statements be included in the Company's Form 10-K and whether the Form 10-K should be filed with the SEC; and to produce the audit committee report required to be included in the Company's proxy statement.

M. Establish and oversee procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, including procedures for confidential, anonymous submissions by company employees regarding questionable accounting or auditing matters or violations of the Company's Code of Business Conduct and Ethics.

N. To review with the Company's general counsel, if any, and outside legal counsel, legal and regulatory matters, including legal cases against or regulatory investigations of the Company and its subsidiaries, that could have a significant impact on the Company's financial statements.

O. To review this Charter at least annually and recommend any proposed changes to the Board for approval.

P. To review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) and any other potential conflict of interest situations on an ongoing basis, in accordance with Company policies and procedures, and to develop policies and procedures for the Committee's approval of related party transactions.

#### 4. Outside Advisors.

4.1 The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.

4.2 The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

#### 5. Meetings.

5.1 The Committee shall meet at least four (4) times a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board on its discussions and actions, including any significant issues or concerns that arise at its meetings, and shall make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

5.2 The Committee shall meet separately, and periodically, with management, and representatives of the Company's independent auditors, and shall invite such individuals to its meetings as it deems appropriate, to assist in carrying out its duties and responsibilities. However, the Committee shall meet regularly without such individuals present.

6. Delegation of Authority. The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

7. Amendment. This Charter and any provision contained herein may be amended or repealed by the Board.

**NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER  
OF  
FLUX POWER HOLDINGS, INC.**

ADOPTED: June 28, 2019

1. Membership.

1.1 The Nominations Committee (the "Committee") of the Board of Directors (the "Board") of Flux Power Holdings, Inc. (the "Company") shall consist of three (3) directors. Each member of the Committee shall be governed by the independence requirements of the NASDAQ Listing Rules. The Committee is permitted to have one (1) non-independent member in accordance with Rule 5605(e)(3).

1.2 Members of the Committee shall be appointed by the Board, and shall serve at the pleasure of the Board and for such term as the Board may determine. Vacancies shall be filled by majority vote of the Board. The entire Committee or an individual Committee member may be removed without cause by the affirmative vote of a majority of the Board.

1.3 The Board shall designate one member of the Committee as its chairperson. In the absence of such designation, the members of the Committee may designate a chairperson by a majority vote of the full Committee. In the event of a tie vote on any issue, the chairperson's vote will decide the issue.

2. Purpose. The purpose of the Committee is to:

2.1 identify individuals qualified to become Board members;

2.2 recommend to the Board the persons to be nominated by the Board for election as directors at the annual meeting of stockholders;

2.3 develop and recommend to the Board a set of corporate governance principles applicable to the Company; and

2.4 oversee the evaluation of the Board and committees of the Board.

3. Duties and Responsibilities.

3.1 Except where the Company is legally required by contract or otherwise to provide third parties with the ability to nominate directors, the Committee shall be responsible for (i) identifying individuals qualified to become Board members and (ii) recommending to the Board the persons to be nominated by the Board for election as directors at the annual meeting of stockholders and the persons to be elected by the Board to fill any vacancies on the Board.

3.2 In nominating candidates, the Committee shall take into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, character, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. The Committee may consider candidates proposed by management, but is not required to do so. The Committee shall be responsible for reviewing with the Board, on an annual basis, the requisite skills and criteria for new Board members as well as the composition of the Board as a whole.

3.3 The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director nominees, including sole authority to approve the search firm's fees and other retention terms. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of any search firm engaged by the Committee.

3.4 The Committee shall be responsible for recommending to the Board the directors to be appointed to each committee of the Board.

3.5 The Committee shall be responsible for overseeing an annual self-evaluation of the Board and its committees to determine whether it and its committees are functioning effectively. The Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the Board's performance, to be discussed with the Board.

3.6 The Committee shall oversee the Company's corporate governance practices and procedures, including identifying best practices and reviewing and recommending to the Board for approval any changes to the documents, policies and procedures in the Company's corporate governance framework.

3.7 The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

3.8 The Committee shall develop and recommend to the Board for approval standards for determining whether a director has a material relationship with the Company or has a relationship with the Company that would impair its independence.

#### 4. Outside Advisors.

4.1 The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a director search firm as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation and oversee the work of the director search firm. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside counsel, an executive search firm, a compensation consultant, and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation and oversee the work of its outside counsel, the executive search firm, the compensation consultant, and any other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its search consultants, outside counsel, compensation consultant, and any other advisors.

4.2 The director search firm, outside counsel, executive search firm, compensation consultant, and any other advisors retained by the Committee shall be as determined in the discretion of the Committee.

5. Meetings. The Committee shall meet as often as may be deemed necessary or appropriate in its judgment or at the direction of the Board (and in no event less than once per fiscal year), either in person or telephonically (as permitted by the laws of Nevada), and at such times and places as the Committee shall determine. A quorum of the Committee will consist of a majority of its members. The Committee may invite such members of management and other persons to its meetings as it may deem desirable or appropriate; however, the CEO shall not be present when his or her compensation or performance is discussed or determined. The Committee shall keep proper minutes and shall report its activities to the Board on a regular basis.

6. Delegation of Authority. The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

7. Amendment. This Charter and any provision contained herein may be amended or repealed by the Board.

**COMPENSATION COMMITTEE CHARTER  
OF  
FLUX POWER HOLDINGS, INC.**

ADOPTED: June 28, 2019

1. Membership.

1.1 The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Flux Power Holdings, Inc. (the "Company") shall consist of at least two members of the Board, all of whom satisfy the independence requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the NASDAQ Listing Rules with respect to Committees, as such requirements are interpreted by the Board in its business judgment. In addition, members of the Committee shall qualify as "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act, and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. If the Committee is comprised of at least three members, the Committee may have one (1) non-independent member in accordance with Rule 5605(d)(2)(B).

1.2 Members of the Committee shall be appointed by the Board, and shall serve at the pleasure of the Board and for such term as the Board may determine. Vacancies shall be filled by majority vote of the Board. The entire Committee or an individual Committee member may be removed without cause by the affirmative vote of a majority of the Board.

1.3 The Board shall designate one member of the Committee as its chairperson. In the absence of such designation, the members of the Committee may designate a chairperson by a majority vote of the full Committee. In the event of a tie vote on any issue, the chairperson's vote will decide the issue.

2. Purpose.

2.1 The purpose of the Committee is to assist the Board in carrying out its responsibilities with respect to compensation. In particular, the Committee shall evaluate the compensation paid or payable to the Company's Chief Executive Officer ("CEO") and other executive officers ("EOs"). The Committee's review shall include, without limitation, compensation paid or payable under employee qualified benefit plans, employee stock option and restricted stock plans, individual employment agreements and executive compensation and bonus programs.

2.2 If any subsidiary or affiliate controlled by the Company (a "Controlled Entity") does not have its own Committee, then the Company's Committee shall perform the same functions with respect to such Controlled Entity's CEO and other EOs. If a Controlled Entity does have its own Committee, then as to the CEO, other EOs and other employees of such Controlled Entity, the Company's Committee shall act in coordination with such Controlled Entity's Committee.

3. Duties and Responsibilities.

3.1 The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance relative to those goals and objectives, and determine and approve the CEO's compensation level based on this evaluation. In evaluating and determining CEO compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") required by Section 14A of the Exchange Act.

A. With the participation of the CEO, the Committee shall annually review and make recommendations to the Board regarding the corporate goals and objectives relevant to the compensation of other EOs, evaluate their performance relative to those goals and objectives, and determine and approve the compensation of such other EOs based on this evaluation. In evaluating and making recommendations regarding executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.

B. The Committee shall review and approve, and when appropriate, and make recommendations to the Board for approval, the compensation for the CEO and other EOs of the Company and Controlled Entities, if applicable, including their salaries, annual and long-term incentives, employment and severance agreements, and retirement and savings plans and other benefits.

C. The Committee shall review compensation philosophy and major compensation programs, including goals and objectives, and to review executive incentive compensation plans and equity-based plans and similar arrangements for which the Committee is the designated administrator. The CEO cannot be present during any voting or deliberations by the Committee on his or her compensation.

D. The Committee shall review and approve and, when appropriate, and make recommendations to the Board for approval, awards under incentive compensation plans and equity-based plans, to the extent that such awards exceed thresholds, if any, designated in advance by the Board. In reviewing and making recommendations regarding incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote.

E. The Committee shall issue the report required by the rules of the Securities and Exchange Commission (“SEC”) to be included in the Company’s annual proxy statement, if applicable, and otherwise review and report to the Board on risks arising from the Company’s compensation policies and practices as may be required by SEC rules.

F. The Committee shall review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company’s proxy statement.

G. The Committee shall review all director compensation and benefits for services on the Board and Board Committees at least once a year and recommend any changes to the Board as necessary.

H. The Committee shall review and reassess the adequacy of this Charter annually and recommend any changes to the Board for approval.

I. The Committee shall refer to the Board those items that the Committee deems appropriate for full Board consideration and to decide itself on all other matters.

#### 4. Outside Advisors.

4.1 The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of compensation consultants, legal counsel, and such other advisors as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultants, legal counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the compensation committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

4.2 The Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors: (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser; (ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser; (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee; (v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and (vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

4.3 The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice. The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

5. Meetings. The Committee shall meet as often as may be deemed necessary or appropriate in its judgment or at the direction of the Board (and in no event less than once per fiscal year), either in person or telephonically (as permitted by the laws of Nevada), and at such times and places as the Committee shall determine. A quorum of the Committee will consist of a majority of its members. The Committee may invite such members of management and other persons to its meetings as it may deem desirable or appropriate; however, the CEO shall not be present when his or her compensation or performance is discussed or determined. The Committee shall keep proper minutes and shall report its activities to the Board on a regular basis.

6. Delegation of Authority. The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

7. Amendment. This Charter and any provision contained herein may be amended or repealed by the Board.



**FLUX POWER HOLDINGS, INC.**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

1. Introduction.

1.1 The Board of Directors of Flux Power Holdings, Inc. (together with its subsidiaries, the "Company") has adopted this Code of Business Conduct and Ethics (the "Code") in order to:

- (a) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;
- (b) promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the "SEC") and in other public communications made by the Company;
- (c) promote compliance with applicable governmental laws, rules and regulations;
- (d) promote the protection of Company assets, including corporate opportunities and confidential information;
- (e) promote fair dealing practices;
- (f) deter wrongdoing; and
- (g) ensure accountability for adherence to the Code.

1.2 All directors, officers and employees are required to be familiar with the Code, comply with its provisions and report any suspected violations as described below in Section 10, "Reporting and Enforcement."

2. Honest and Ethical Conduct.

2.1 The Company's policy is to promote high standards of integrity by conducting its affairs honestly and ethically.

2.2 Each director, officer and employee must act with integrity and observe the highest ethical standards of business conduct in his or her dealings with the Company's customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job.

3. Conflicts of Interest.

3.1 A conflict of interest occurs when an individual's private interest (or the interest of a member of his or her family) interferes, or even appears to interfere, with the interests of the Company as a whole. A conflict of interest can arise when an employee, officer or director (or a member of his or her family) takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an employee, officer or director (or a member of his or her family) receives improper personal benefits as a result of his or her position in the Company.

3.2 Loans by the Company to, or guarantees by the Company of obligations of, employees or their family members are of special concern and could constitute improper personal benefits to the recipients of such loans or guarantees, depending on the facts and circumstances. Loans by the Company to, or guarantees by the Company of obligations of, any director or executive officer or their family members are expressly prohibited.

3.3 Whether or not a conflict of interest exists or will exist can be unclear. Conflicts of interest should be avoided unless specifically authorized as described in Section 3.4.

3.4 Persons other than directors and executive officers who have questions about a potential conflict of interest or who become aware of an actual or potential conflict should discuss the matter with, and seek a determination and prior authorization or approval from, their supervisor or the chief financial officer. A supervisor may not authorize or approve conflict of interest matters or make determinations as to whether a problematic conflict of interest exists without first providing the chief financial officer with a written description of the activity and seeking the chief financial officer's written approval. If the supervisor is himself involved in the potential or actual conflict, the matter should instead be discussed directly with the chief financial officer.

Directors and executive officers must seek determinations and prior authorizations or approvals of potential conflicts of interest exclusively from the Audit Committee.

4. Compliance.

4.1 Employees, officers and directors should comply, both in letter and spirit, with all applicable laws, rules and regulations in the cities, states and countries in which the Company operates.

4.2 Although not all employees, officers and directors are expected to know the details of all applicable laws, rules and regulations, it is important to know enough to determine when to seek advice from appropriate personnel. Questions about compliance should be addressed to the Legal Department.

4.3 No director, officer or employee may purchase or sell any Company securities while in possession of material non-public information regarding the Company, nor may any director, officer or employee purchase or sell another company's securities while in possession of material non-public information regarding that company. It is against Company policies and illegal for any director, officer or employee to use material non-public information regarding the Company or any other company to:

- (a) obtain profit for himself or herself; or
- (b) directly or indirectly "tip" others who might make an investment decision on the basis of that information.

5. Disclosure.

5.1 The Company's periodic reports and other documents filed with the SEC, including all financial statements and other financial information, must comply with applicable federal securities laws and SEC rules.

5.2 Each director, officer and employee who contributes in any way to the preparation or verification of the Company's financial statements and other financial information must ensure that the Company's books, records and accounts are accurately maintained. Each director, officer and employee must cooperate fully with the Company's accounting and internal audit departments, as well as the Company's independent public accountants and counsel.

5.3 Each director, officer and employee who is involved in the Company's disclosure process must:

(a) be familiar with and comply with the Company's disclosure controls and procedures and its internal control over financial reporting; and

(b) take all necessary steps to ensure that all filings with the SEC and all other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable disclosure.

6. Protection and Proper Use of Company Assets.

6.1 All directors, officers and employees should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability and are prohibited.

6.2 All Company assets should be used only for legitimate business purposes, though incidental personal use may be permitted. Any suspected incident of fraud or theft should be reported for investigation immediately.

6.3 The obligation to protect Company assets includes the Company's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business and marketing plans, engineering and manufacturing ideas, designs, databases, records and any non-public financial data or reports. Unauthorized use or distribution of this information is prohibited and could also be illegal and result in civil or criminal penalties.

7. Corporate Opportunities. All directors, officers and employees owe a duty to the Company to advance its interests when the opportunity arises. Directors, officers and employees are prohibited from taking for themselves personally (or for the benefit of friends or family members) opportunities that are discovered through the use of Company assets, property, information or position. Directors, officers and employees may not use Company assets, property, information or position for personal gain (including gain of friends or family members). In addition, no director, officer or employee may compete with the Company.

8. Confidentiality. Directors, officers and employees should maintain the confidentiality of information entrusted to them by the Company or by its customers, suppliers or partners, except when disclosure is expressly authorized or is required or permitted by law. Confidential information includes all non-public information (regardless of its source) that might be of use to the Company's competitors or harmful to the Company or its customers, suppliers or partners if disclosed.

9. Fair Dealing. Each director, officer and employee must deal fairly with the Company's customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job. No director, officer or employee may take unfair advantage of anyone through manipulation, concealment, abuse or privileged information, misrepresentation of facts or any other unfair dealing practice.

10. Reporting and Enforcement.

10.1 Reporting and Investigation of Violations.

(a) Actions prohibited by this Code involving directors or executive officers must be reported to the Audit Committee.

(b) Actions prohibited by this Code involving anyone other than a director or executive officer must be reported to the reporting person's supervisor or the chief financial officer.

(c) After receiving a report of an alleged prohibited action, the Audit Committee, the relevant supervisor or the chief financial officer must promptly take all appropriate actions necessary to investigate.

(d) All directors, officers and employees are expected to cooperate in any internal investigation of misconduct.

10.2 Enforcement.

(a) The Company must ensure prompt and consistent action against violations of this Code.

(b) If, after investigating a report of an alleged prohibited action by a director or executive officer, the Audit Committee determines that a violation of this Code has occurred, the Audit Committee will report such determination to the Board of Directors.

(c) If, after investigating a report of an alleged prohibited action by any other person, the relevant supervisor or the chief financial officer determines that a violation of this Code has occurred, the supervisor or the chief financial officer will report such determination to the Board of Directors.

(d) Upon receipt of a determination that there has been a violation of this Code, the Board of Directors will take such preventative or disciplinary action as it deems appropriate, including, but not limited to, reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.

10.3 Waivers.

(a) The Board of Directors or a board committee may, in its discretion, waive any violation of this Code.

(b) Any waiver for a director or an executive officer shall be disclosed as required by SEC and NASDAQ Listing Rules.

10.4 Prohibition on Retaliation. The Company does not tolerate acts of retaliation against any director, officer or employee who makes a good faith report of known or suspected acts of misconduct or other violations of this Code.