

**First Graphene Limited**

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# First Graphene Limited

## **Notice of 2024 Annual General Meeting**

Explanatory Statement | Proxy Form

Friday, 8 November 2024

**1:00PM AEDT**

**Address**

**The Grace Hotel Sydney, 77 York Street  
SYDNEY NSW 2000**

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

# Contents

Venue and Voting Information	2
Notice of Annual General Meeting – Agenda and Resolutions	4
Notice of Annual General Meeting – Explanatory Statement	11
Glossary	27
Schedule 1 – Terms and Conditions of Share Placement Agreement	29
Schedule 2 – Terms Of Incentive Award Plan	30
Schedule 3 – Material Terms of the Performance Rights	34
Annexure A – Nomination of Auditor	37
Proxy Form	Attached

## Important Information for Shareholders about the Company's 2024 AGM

This Notice is given based on circumstances as at 4 October 2024. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at [www.firstgraphene.net](http://www.firstgraphene.net). Shareholders are urged to monitor the ASX announcements platform and the Company's website.

## Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 1:00pm (AEDT) on Friday, 8 November 2024 at The Grace Hotel Sydney, 77 York Street, Sydney NSW 2000.

### Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

### Voting in person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### Voting by proxy

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.  For further information on the online proxy lodgement process please see the <b>Online Proxy Lodgement Guide</b> at <a href="https://www.automicgroup.com.au/virtual-agms/">https://www.automicgroup.com.au/virtual-agms/</a>
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
<b>By email</b>	Completing the enclosed Proxy Form and emailing it to: <a href="mailto:meetings@automicgroup.com.au">meetings@automicgroup.com.au</a>

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

## Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

## Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

# Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of First Graphene Limited ACN 007 870 760 will be held at 1.00pm (AEDT) on Friday, 8 November 2024 at The Grace Hotel, 77 York Street, Sydney, NSW 2000 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm (AEDT) on Wednesday, 6 November 2024.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

## Agenda

### Ordinary business

#### Financial statements and reports

*"To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for that financial year."*

**Note:** This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

## Resolutions

### Remuneration Report

#### 1. **Resolution 1** – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2024."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Prohibition Statement:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member,

**(Restricted Voter).**

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the

Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

## **Re-election of Directors**

### **2. Resolution 2 – Re-election of Andrew Goodwin as Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That Andrew Goodwin, a Director who retires by rotation in accordance with clause 14.2 of the Company’s Constitution and ASX Listing Rules 14.4 and being eligible offers himself for re-election as a Director of the Company, effective immediately.”*

## **ASX Listing Rule 7.1A (Additional 10% Capacity)**

### **3. Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

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

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Ratification of Prior Issues of Fully Paid Ordinary Shares**

### **4. Resolution 4 – Ratification of Prior Issue of Fully Paid Ordinary shares to Specialty Materials Investments, LLC**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 5,000,000 fully paid ordinary shares issued on 29 August 2024 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) Specialty Materials Investments, LLC; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Adoption of Incentive Awards Plan**

### **5. Resolution 5 – Adoption of Incentive Awards Plan**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purpose of Listing Rule 7.2 (Exception 13(b)), sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the Company’s employee incentive scheme titled “First Graphene Incentives Awards Plan” (**Plan**) for a period of three years from the date of this Meeting and for the issue and grant of Equity Securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the Plan, an officer of the Company or any of its child entities who is entitled to participate in a termination benefit under the Plan, or any Associates of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution if:

- (a) the proxy is either:
  - i. a member of the Company's Key Management Personnel; or
  - ii. a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

## **Issue of Performance Rights**

### **6. Resolution 6 – Approval to Issue of Performance Rights to Michael Bell, Director of the Company**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*"That, subject to Resolution 5 being passed, for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 6,000,000 Performance Rights under the Plan to Michael Bell (or his nominee), Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Awards Plan (or their nominees) or any Associates of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution if:

- (a) the proxy is either:
  - i. a member of the Company's Key Management Personnel; or
  - ii. a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

## 7. **Resolution 7** – Approval to Issue of Performance Rights to Andrew Goodwin, Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, subject to Resolution 5 being passed, for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 300,000 Performance Rights under the Plan to Andrew Goodwin (or his nominee), Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Awards Plan (or their nominees) or any Associates of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution if:

- (a) the proxy is either:
  - i. a member of the Company's Key Management Personnel; or
  - ii. a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

## 8. **Resolution 8** – Approval to Issue of Performance Rights to Michael Quinert, Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, subject to Resolution 5 being passed, for the purposes of sections 200B, and 200E of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 300,000 Performance Rights under the Incentive Awards Plan to Michael Quinert (or his nominee), Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Awards Plan (or their nominees) or any Associates of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or



- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution if:

- (a) the proxy is either:
  - i. a member of the Company's Key Management Personnel; or
  - ii. a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

## 9. Resolution 9 – Approval to Issue of Performance Rights to Warwick Grigor, Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*"That, subject to Resolution 5 being passed, for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 600,000 Performance Rights under the Incentive Awards Plan to Warwick Grigor (or his nominee), Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Awards Plan (or their nominees) or any Associates of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution if:

- (a) the proxy is either:
  - i. a member of the Company's Key Management Personnel; or
  - ii. a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

## **10. Resolution 10 – Appointment of Auditor at AGM to Fill Vacancy**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Audit Pty Ltd having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting."*

### **BY ORDER OF THE BOARD**



Ms Elizabeth Lee  
Company Secretary

# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held on Friday, 8 November 2024 at The Grace Hotel Sydney, 77 York Street, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

## Agenda

### **Ordinary business**

#### Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at [www.firstgraphene.net](http://www.firstgraphene.net).

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

#### **Written questions of the auditor**

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by Thursday, 31<sup>st</sup> October 2024.

# Resolutions

## **Remuneration Report**

### **Resolution 1 – Adoption of Remuneration Report**

The remuneration report for the Company is set out in the Company's 2024 Annual Report. The remuneration report outlines the Company's remuneration framework and the remuneration outcomes for the financial year the subject of the remuneration report for the Board and Key Management Personnel.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the remuneration report at the meeting.

Under the Corporations Act if, at two consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report, then a further resolution (Spill Resolution) may be required to be considered at the second annual general meeting as to whether a further meeting be convened to put certain Directors to re-election. The Directors to be put to re-election are those Directors, other than the Managing Director, who were Directors when the resolution to make the directors report was passed.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the requirement for a Spill Resolution will not arise at this Meeting irrespective of the outcome of the vote on Resolution 1.

#### **Voting**

If you are appointing the Chair as your proxy, please note that the proxy form accompanying this Notice expressly authorises the Chair to vote any undirected proxies in favour of Resolution 1 even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Accordingly, if you are appointing the Chair as your proxy and do not wish your proxy to vote in favour of Resolution 1, you will need to mark "against" or "abstain" where indicated in the proxy form in relation to Resolution 1.

## **Re-election of Director**

### **Resolution 2 – Re-election of Andrew Goodwin as Director**

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

Clause 14.2 of the Company's Constitution requires that at the Company's annual general meeting, one third of the Directors shall retire from office. The retiring Director(s) must not be a Managing Director. The Director(s) to retire at the annual general meeting are those who have been in office the longest since their last election. For Directors re-elected on the same day, those to retire shall be agreed amongst themselves or by drawing lots.

As the Company currently has 3 Directors (excluding the Managing Director) 1 must retire.

ASX Listing Rule 14.5 also provides that an entity which has Directors must hold an election of Directors at each annual general meeting.

Mr Warwick Grigor was last re-elected as a Director at the 2022 AGM. Mr Michael Quinert was last re-elected as a Director at the 2023 AGM.

Accordingly, as the longest serving since his last election, Mr Andrew Goodwin will retire in accordance with Clause 14.2 of the Company's Constitution and a biography of Andrew Goodwin, who was first appointed as a Director of the Company on 1 July 2020 is set out in the Company's

annual financial report for the year ended 30 June 2024.

Andy has a successful track record in innovation and technology development roles within the speciality chemicals industry.

Andy has extensive leadership experience with Sanofi, Dow Corning Corporation and Thomas Swan & Co. Ltd. He has a PhD in polymer chemistry and an MTE Diploma from the IMD Business School in Lausanne, Switzerland.

Andy has been actively involved in the development of the graphene materials industry since 2012.

The Board considers that Dr Goodwin is not an independent director, although he is a non-executive director.

### **Directors' recommendation**

The Directors (excluding Andrew Goodwin) recommend that Shareholders vote for this Resolution.

## **ASX Listing Rule 7.1A**

### **Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting by way of special resolution to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**) to increase this 15% limit by an extra 10% to 25%.

The Company is an Eligible Entity, meaning it is an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less.

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed then the Company will not have the availability of the additional 10% Placement Capacity to issue Equity Securities without Shareholder approval provided under ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1. Accordingly, if the Company intends to issue securities over and above its placement capacity under ASX Listing Rule 7.1 then Shareholder approval will be required to issue such securities.

The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

### **Listing Rule 7.1A**

Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity under Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000 or less.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000. If however on the date of the Meeting the Company's market capitalisation exceeds \$300,000,000, then Resolution 3 will no longer be effective and will be withdrawn.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: FGR.)

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement to issue:

- (a) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (b) plus the number of fully paid ordinary securities issued in the previous 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
- the convertible securities were issued or agreed to be issued more than 12 months immediately preceding the date of issue or agreement to issue; or
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- (c) plus the number of fully paid ordinary securities issued in the last 12 months under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
- the agreement was entered into more than 12 months before; or
  - the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- (d) plus the number of any other fully paid ordinary securities issues in the previous 12 months with approval under Listing Rule 7.1 or 7.4;
- (e) plus the number of partly paid shares that became fully paid in the previous 12 months immediately preceding the date of issue or agreement to issue; and
- (f) less the number of Shares cancelled in the previous 12 months immediately preceding the date of issue or agreement to issue.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months immediately preceding the date of issue or agreement to issue where the issue or agreement has not been subsequently approved by the holders of Ordinary Securities under ASX Listing Rule 7.4.

### **Information Required by ASX Listing Rule 7.3A**

The following information is provided to Shareholder for the purposes of Listing Rule 7.3A.

#### Period for which the approval will be valid

An approval under this Listing Rule 7.1A commences on the date of the annual general meeting at

which the approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the entity's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

#### Minimum price at which the Equity Securities may be issued under Listing Rule 7.1A

Any Equity Securities issued under Listing Rule 7.1A.2 must be an existing quoted class of the Company's Equity Securities and issued for cash consideration.

The issue price per equity security must not be less than 75% of the volume weighted average market price of the Equity Securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; and
- (b) if the Equity Securities are not issued within 10 trading days of the date in paragraph (a), the date on which the Equity Securities are issued.

#### Purposes for which the funds raised by an issue of Equity Securities under Listing Rule 7.1A may be used

As noted above, any Equity Securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of Equity Securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any Equity Securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period, if Shareholders approve this Resolution. However, if Shareholders approved this Resolution and the Company did raise funds from the issue of Equity Securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used for the following purposes:

- (a) developing, improving, testing and marketing its current graphene products and future graphene products the Company seeks to develop;
- (b) developing, improving, testing and marketing the Company's current and future assets and intellectual property;
- (c) acquiring new assets and investments (including expenses associated with and due diligence on such an acquisition);
- (d) funding ongoing business activities; and
- (e) for general working capital purposes.

#### Risk of economic and voting dilution to existing ordinary Securityholders

If this Resolution is approved, and the Company issues Equity Securities under Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company will be diluted.

There is a risk that:

- (a) the market price for the Company's Equity Securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- (b) the Equity Securities may be issued at a price that is at a discount (as described above) to the market price for the Company's Equity Securities on the issue date;

which may have an effect on the amount of funds raised by the issue of Equity Securities under

## Listing Rule 7.1A.

The table below shows the potential dilution of existing Securityholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2:

Variable "A" ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$ 0.024	\$ 0.048	\$ 0.096
		50% decrease in issue price	issue prices <sup>(b)</sup>	100% increase in issue price
"A" is the number of shares on issue, being 664,251,723 Shares <sup>(a)</sup>	10% voting dilution <sup>(c)</sup>	66,425,172	66,425,172	66,425,172
	Funds raised	\$ 1,594,204	\$ 3,188,408	\$ 6,376,817
"A" is a 50% increase in shares on issue, being 996,377,585	10% voting dilution <sup>(c)</sup>	99,637,759	99,637,759	99,637,759
	Funds raised	\$ 2,391,306	\$ 4,782,612	\$ 9,565,225
"A" is a 100% increase in shares on issue, being 1,328,503,446	10% voting dilution <sup>(c)</sup>	132,850,345	132,850,345	132,850,345
	Funds raised	\$ 3,188,408	\$ 6,376,817	\$ 12,753,633

### Notes:

- Based on the total number of fully paid ordinary Shares on issue as at 29 September 2024.
- Based on the closing price of the Company's Shares on ASX as at 29 September 2024.
- The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of Equity Securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- The table shows the effect of an issue of Equity Securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares (being the Equity Securities in the class the subject of the Listing Rule 7.1A mandate) may be significantly lower on the issue date than on the date of the Meeting; and
- the Company's Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

### Allocation policy for issues under Listing Rule 7.1A

The Company's allocation policy and the identity of the allottees of Equity Securities under Listing Rule 7.1A will depend on a number of factors, including:

- the Company's intentions in relation to the possible issue of Equity Securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- the potential effect on the control of the Company;
- the Company's financial position and the likely future capital requirements; and
- advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers that it may raise funds during the Listing Rule 7.1A mandate



period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue Equity Securities in relation to any parties, investors or existing Securityholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of Equity Securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of Equity Securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of Equity Securities.

The Company previously sought Shareholder approval under Listing Rule 7.1A at the 2023 AGM however did not issue or agree to issue Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM.

#### **Compliance with Listing Rules 7.1A.4**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (a) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (b) the information required by Listing Rule 7.1A.4 for release to the market.

#### **Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

## **Ratification of Prior Issue of Fully Paid Ordinary Shares**

### **Resolution 4 – Ratifications of Prior Issues of Fully Paid Ordinary Shares to Specialty Materials Investments, LLC**

#### **Background**

As announced by the Company on 27 May 2021, the Company entered into a share placement agreement with Specialty Materials Investments, LLC (**Investor**), an institutional investor, pursuant to which the Company secured \$8,000,000 in funding (**Share Placement Agreement**). Please refer to Schedule 1 for a summary of the Share Placement Agreement.

The Company has received the \$8,000,000 in two tranches, tranche 1 being \$5,000,000 which was received shortly after 27 May 2021 and tranche 2 being \$3,000,000 which the Company received on 30 November 2021.

Under the Share Placement Agreement, the Company will issue fully paid ordinary shares (**Placement Shares**) in relation to all or part of the placement amount at the Investor's request during up until 3 June 2025.

At the 2021, 2022 and 2023 AGMs the Company sought, and received, shareholder approval to ratify prior issues of Placement Shares to the Investor worth a total value of \$4,200,000 and which had been issued by utilising the Company's capacity under Listing Rule 7.1 at that time.

Since the 2023 AGM the Company has issued a further 20,000,000 Placement Shares on 18 October 2023 and a further 5,000,000 Placement Shares on 30 August 2024 . These additional issues of Placement Shares were issued by utilising the Company's existing capacity under Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 5,000,000 Placement Shares issued on 30 August 2024.

#### **ASX Listing Rules 7.1 and 7.4**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 4 seeks Shareholder approval to the issue of the Placement Shares for the purposes of Listing Rule 7.4.

If Resolution 4 is passed, the issue of Placement Shares will be excluded in calculating the Company's 15% capacity to issue Equity Securities under Listing Rule 7.1 without Shareholder approval over the 12-month period following their respective issue dates.

If Resolution 4 is not passed, the issue of Placement Shares the subject of the Resolution, will be included in calculating the Company's 15% capacity to issue Equity Securities under Listing Rule 7.1 without Shareholder approval over the 12-month period following the Issue Date.

#### **Information required by ASX Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Placement Shares were issued to Specialty Materials Investments, LLC, who is not related party of the Company;
- (b) The Company issued a total of 5,000,000 Placement Shares at an issue price of \$0.04 per Placement Share on 30 August 2024;
- (c) The Placement Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) Funds raised from the issue of the Placement Shares have been and will be used by the Company to underwrite the Company's growth strategy and for general working capital.
- (e) The Placement Shares were issued pursuant to the Share Placement Agreement. The material terms of the Share Placement Agreement are set out in Schedule 1.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for Resolution 4.

## **Adoption of Incentive Awards Plan**

### **Resolution 5 – Adoption of Incentive Awards Plan**

#### **Background**

On 1 October 2022, amendments to the Corporations Act commenced, simplifying the process for incentivising participants under employee share schemes (**New Regime**). Division 1A was introduced into Part 7.12 of the Corporations Act, providing a separate regime for the making of offers in connection with an ESS (**New Regime**). This regime replaced the current relief afforded by ASIC Class Order 14/1000 (Class Order), which commenced on 30 October 2014.

To ensure that the Company is afforded the relief provided by the New Regime, the Company considers it is desirable to establish a new employee incentive scheme called the “First Graphene Resources Limited Incentive Awards Plan” (**Plan**) under which the Company can issue Equity Securities in the form of Shares, Options and Performance Rights and is afforded the relief provided by the New Regime (together, Awards).

The objective of the Plan is to attract, motivate and retain key officers, employees and consultants of the Company by providing them with the opportunity to acquire Equity Securities that allow them to participate in the future growth of the Company. The Plan was adopted by the Board on 2 October 2024.

#### **ASX Listing Rule 7.2 (Exception 13(b))**

Resolution 5 seeks Shareholder approval for the issue of Equity Securities under the Plan, as an exception to ASX Listing Rule 7.1, in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 13(b)) provides that issue of Equity Securities under an employee incentive scheme within a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme is an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability under Listing Rule 7.1 to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

If Resolution 5 is not passed, the Company's 15% placement capacity under Listing Rule 7.1 will be reduced each time it issues Equity Securities under the Plan to eligible participants unless issued under another exception under Listing Rule 7.2 (for example with Shareholder approval under Listing Rules 10.11 or 10.14 where issued to a related party).

In accordance with the requirements of ASX Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to the proposed approval of the Plan and the issue of Equity Securities under it:

- (a) a summary of the terms of the Plan is provided in Schedule 2;
- (b) no Equity Securities have previously been issued under the Plan; and
- (c) the maximum number of Equity Securities proposed to be issued under the Plan over the three years following Shareholder approval is 20,000,000.

Any future grant issue of Awards under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this

reason, the Company is also seeking approval under Resolutions 6 to 9 for the issue of Performance Rights to Directors pursuant to the Plan.

### **Corporations Act - Sections 200B and 200E**

The Corporations Act restricts the benefits that can be given to persons who, on leaving their office or employment with the Company or any of its related bodies corporate hold a “managerial or executive office” (as defined in the Corporations Act) (Executive) or held such an office in the previous three years.

Under Section 200B of the Corporations Act, a company may only give such a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders under Section 200E of the Corporations Act or an exemption applies. Sections 200F and 200G of the Corporations Act provide exemptions for certain benefits provided they fall below certain limits (**Benefit Caps**).

The term “benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Plan. In particular, the Board possesses the discretion to determine, where an Executive ceases to be an officer or employee, that any vesting conditions applying to Awards held by the Executive or their nominee are waived, in whole or in part.

This may provide the Executive with a benefit, being the ability for Awards held by them or their nominee to vest and be exercised into Shares when the Awards might otherwise lapse on office or employment ceasing.

The Company is therefore seeking Shareholder approval in advance for any benefits given under the Plan to Executives that are in connection with the Executive ceasing office or employment within three years of Shareholder approval.

Provided Shareholder approval is given, the value of these benefits may be disregarded when determining the Benefit Caps under Sections 200F and 200G of the Corporations Act.

The value of the termination benefits that the Board may give to Executives under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Awards that vest.

The following additional factors may also affect the benefit's value:

- (a) the Executive's length of service and the portion of vesting periods at the time they cease office or employment;
- (b) the status of the performance hurdles attaching to the securities at the time the Executive's employment or office ceases; and
- (c) the number of unvested Awards that the Executive or their nominee holds at the time the Executive ceases employment or office.

### **Additional Information**

Resolution 5 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 5 due to their potential personal interests in the outcome of the Resolution.

## **RESOLUTIONS 6-9 – Issue of Performance Rights to directors**

### **Background**

Under the Company's Incentive Plan, the Company may issue or grant Shares, Options or Performance Rights.

It is proposed that, subject to Shareholder approval, a total of 6,050,000 Performance Rights (**Performance Rights**) will be granted to the Directors of the Company, being Messrs Michael Bell, Andrew Goodwin, Michael Quinert and Warwick Grigor (or their respective nominees) (each a "**Related Party**") and together the "**Related Parties**") under the Company's Incentive Awards Plan.

Resolutions 6 to 9 seek Shareholder approval for the grant of the Performance Rights to the Related Parties.

### **Related Party Transaction**

Under the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights to the Related Parties, under the Plan, requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit and, as the Related Parties are Directors, they are each a related party of the Company. If the Director's nominees receive the Performance Rights they will also be a related party by virtue of each being an associate of a Director (as relevant).

For each Director for whom the issue of Performance Rights were considered, the other non-conflicted Directors considered the proposed issue, and formed the view that the giving of the financial benefit to that Director was reasonable remuneration given the circumstances of the Company, the quantum of the Performance Rights, the terms of the Performance Rights, and the responsibilities held by that Director in the Company.

Accordingly, the non-conflicted Directors of the Company believe that the issue of these Performance Rights to each of the Directors fall within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act, and relies on this exception for the purposes of Resolutions 6 to 9 respectively. .

### **ASX Listing Rule 10.14**

ASX Listing Rule 10.14 provides that a company must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition:

- (a) a director of the company;
- (b) an associate of a director; or
- (c) a person whose relationship with the company or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

If Resolutions 6 to 9 are passed, Performance Rights will be granted to directors of the Company (or their respective nominees) who fall within Listing Rule 10.14.1 (if a director) or Listing Rule

10.14.2 (if a nominee of a director). Therefore, the Company requires Shareholder approval in accordance with ASX Listing Rule 10.14 to grant the Performance Rights to the Related Parties (or their respective nominees).

If a Resolution is not passed, the Company will not be able to grant the Performance Rights the subject of that Resolution and will need to assess whether alternative incentives are to be offered to the relevant Related Party.

### Shareholder Approval (Listing Rule 10.14)

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of Performance Rights:

- (a) Messrs Michael Bell, Andrew Goodwin, Michael Quinert and Warwick Grigor are related parties by virtue of being Directors of the Company and so fall under Listing Rule 10.14.1. If the Performance Rights are granted to nominees of Messrs Michael Bell, Andrew Goodwin, Michael Quinert and Warwick Grigor the nominee will be an Associate of the Director and fall under Listing Rule 10.14.2;
- (b) the number of Performance Rights (being the nature of the financial benefit being provided) to be granted to the Related Parties (or their nominees) is:

Related Party	Number of Performance Rights			Total
	Tranche 1	Tranche 2	Tranche 3	
Michael Bell	2,000,000	2,000,000	2,000,000	<b>6,000,000</b>
Andrew Goodwin	100,000	100,000	100,000	<b>300,000</b>
Michael Quinert	100,000	100,000	100,000	<b>300,000</b>
Warwick Grigor	200,000	200,000	200,000	<b>600,000</b>
<b>Total</b>	<b>2,400,000</b>	<b>2,400,000</b>	<b>2,400,000</b>	<b>7,200,000</b>

- (c) the current total remuneration package of the Related Parties (inclusive of superannuation and equity-based remuneration) for the current financial year, and for the previous two financial years, is as follows. This is in addition to the Performance Rights proposed to be granted under Resolutions 6 to 9:

Related Party	Current financial year to 30 June 2025 (estimate)	Financial year Ended 30 June 2024	Financial year Ended 30 June 2023
Michael Bell	\$500,000	\$499,530	\$596,298
Andrew Goodwin	\$55,000	\$51,669	\$75,495
Michael Quinert	\$50,000	\$45,507	\$41,242
Warwick Grigor	\$160,000	\$156,818	\$144,500

- (d) the Related Parties (and their associates) have not previously been issued any equity incentives under the Plan;
- (e) the material terms of the Performance Rights are set out in Schedule 3. The following are the key terms of the Performance Rights to be granted to the Related Parties:
  - a. the Performance Rights to be granted will be subject to the following vesting conditions:

Vesting Conditions	Tranche 1 Vesting Condition	Tranche 2 Vesting Condition	Tranche 3 Vesting

	Condition		
Share Price <sup>1</sup>	\$0.07	\$0.11	\$0.17
Sales (AUD) <sup>2</sup>	\$1.5 million	\$2.0 million	\$5.0 million

Notes:

1. 20-day VWAP Share price at 30 June of applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) exceeds the price shown. 25% weighting ie 25% of the Performance Rights in a Tranche will be measured against this vesting condition
2. Sales revenue received during the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) is at least the amount shown, based on audited accounts. 40% weighting ie 40% of the Performance Rights in a Tranche will be measured against this vesting condition.

In addition:

1. 10% of each Tranche is subject to the achievement by a Director of their personal KPI for an applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) as determined by the Board; and
2. 25% of each Tranche is subject to the Director remaining a director of the Company at 30 June of the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27).

- b. the Performance Rights will expire on 30 September 2027 (Tranche 1), 30 September 2028 (Tranche 2), 30 September 2029 (Tranche 3) (**Expiry Date**);
  - c. subject to applicable vesting conditions being satisfied (or waived by the Board in its discretion or in accordance with the Plan) and any adjustment permitted under the Plan, one Performance Right will be exercisable prior to the Expiry Date at the holder's election into one Share of the Company (which will be granted on the same terms and conditions as the Company's existing Shares);
- (f) the Company wishes to grant Performance Rights as they are a cost effective mechanism to incentivise the Related Parties and, they are simpler to administer than the grant of Shares that would need to be cancelled if the vesting conditions are not satisfied or waived;
  - (g) the Performance Rights proposed to be granted to the Related Parties have been valued at \$338,400 internally based on each Performance Right having a value equal to the current share price being, of \$0.047 per Share as at the close of trade on 2 October 2024;
  - (h) the Performance Rights will be granted to the Related Parties (or their nominees) no later than 12 months after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be granted on one date;
  - (i) the Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised;
  - (j) a summary of the Incentive Awards Plan, which applies to the Performance Rights, is set out in Schedule 2;
  - (k) no loan has or will be provided to the Related Parties in relation to the grant or subsequent exercise of the Performance Rights;
  - (l) details of any securities issued or granted under the Plan will be published in the Company's annual report relating to the period in which they were issued or granted, along with a statement that approval for the issue or grant was obtained under Listing Rule 10.14; and
  - (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue or grant of securities under the Plan after Resolutions 6-9 are approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule.

## Sections 200B and 200E of the Corporations Act

Section 200B of the Corporations Act generally provides that, subject to specific exceptions, Shareholder approval is required under Section 200E of the Corporations Act for the giving of benefits to a person occupying a managerial or executive office with the Company in connection with their retirement from a managerial or executive office. The term 'benefits' is widely defined.

The Incentive Plan, and the terms and conditions of grant of Performance Rights under the Incentive Plan to the Related Parties (or their nominees), contain a number of provisions which may operate to entitle the Related Parties (or their nominees), to an early vesting of Performance Rights and/or in different circumstances than might otherwise be the case in connection with their ceasing to hold a managerial or executive office with the Company. Some of the relevant provisions in the Incentive Plan (or terms and conditions) are subject to the Board exercising their discretion to allow such exercise (whether by waiving vesting conditions or extending the period for vesting or resolving that unvested Performance Rights do not lapse when otherwise they would).

These may constitute a "benefit" for the purposes of section 200B of the Corporations Act.

The value of any such benefits which may be given to the Related Parties (or their nominees) cannot presently be ascertained but matters, events and circumstances that may, or will, affect the calculation of that value include:

- (a) the number of Performance Rights held by the participant;
- (b) the number of Performance Rights that vest early or do not lapse when otherwise they would;
- (c) the price of Shares on the ASX on the date of ceasing to hold a managerial or executive office with the Company;
- (d) the status of any vesting conditions or other conditions for the Performance Rights and the Board's assessment of the performance of the participant up to the date of ceasing;
- (e) the participant's length of service and the extent to which they have served any applicable notice period; and
- (f) the reasons for ceasing to hold a managerial or executive office with the Company.

Shareholder approval is sought under section 200E of the Corporations Act to the giving of any benefit to the Related Parties (or their nominees) in connection with their future cessation of office or position with the Company under the terms of the Incentive Plan (or terms and conditions of grant) in relation to the Performance Rights, including as a result of any future exercise of a discretion by the Board under the terms of the Incentive Plan or the terms and conditions of the Performance Rights.

If Shareholder approval is given, the value of the benefit may be disregarded when applying Section 200F(2)(b) or Section 200G(1)(c) of the Corporations Act (i.e. the benefits will not count towards the statutory caps that apply to benefits that may be given without shareholder approval).

The Related Parties have advised that they have no current intention to resign from their positions with the Company.

### **Directors' recommendations**

Each of Messrs Michael Bell, Andrew Goodwin, Michael Quinert and Warwick Grigor declines to make a recommendation to Shareholders in relation to the Resolution relating to the grant of Performance Rights to themselves (or their nominee) due to their material personal interest in the outcome of the Resolution on the basis that they are to be granted Performance Rights in the



Company should the Resolution be passed. However, in respect of the Resolutions dealing with the grant of the Performance Rights to each of the other Directors, each of Messrs Michael Bell, Andrew Goodwin, Michael Quinert and Warwick Grigor recommends that Shareholders vote in favour of Resolutions 6 - 9 for the following reasons:

- (a) the grant of Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
- (b) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.

In forming their various recommendations, each Director considered the qualifications and experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Performance Rights to be granted as well as the expiry date, vesting conditions and other material terms of those Performance Rights.

Except as specified above, no other Director has a personal interest or other interest in the outcome of Resolutions 6-9.

The Board is not aware of any information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6- 9.

Approval pursuant to ASX Listing Rule 7.1 is not required to grant the Performance Rights to the Related Parties or their nominees as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the grant of Performance Rights to the Related Parties or their nominees will not be included in the 15% calculation of the Company's twelve month capacity to issue Shares or other securities without shareholder approval pursuant to ASX Listing Rule 7.1.

### **Voting Prohibition – Section 224 of the Corporations Act**

Sections 224(1) and (2) of the Corporations Act provide that a vote may not be cast (in any capacity) by or on behalf of the related party to whom the resolution would permit a financial benefit to be given (or an associate of that person) other than a vote cast a proxy by a person in writing that specifies how the proxy is to vote on the proposed resolution and which is not cast on behalf of the relevant related party (or an associate of that person).

## **Resolution 10 – Appointment of Auditor at AGM to Fill Vacancy**

Section 327C(1) of the Corporations Act provides that if a vacancy occurs in the office of auditor of a public company the directors must within 1 month appoint an auditor to fill the vacancy. Section 327C(2) of the Corporations Act provides that an auditor so appointed holds office until the Company's next annual general meeting.

As announced by the Company to ASX on 15 May 2024, BDO Audit Pty Ltd (**BDO Audit**) was appointed as auditor of the Company. The appointment follows the resignation of BDO Audit (WA) Pty Ltd (BDO WA) and ASIC's consent to the resignation in accordance with s329(5) of the Corporations Act. The change of auditor arose as a result of BDO WA restructuring its audit practice whereby audits will be conducted by BDO Audit, an authorised audit company, rather than BDO WA.

Under Section 327(C)(2) of the Corporations Act BDO Audit retires at the Annual General Meeting. As BDO Audit is eligible for election as auditor of the Company as and from the Annual General Meeting, Resolution 10 proposes the election of BDO Audit as auditor of the Company.

BDO Audit Pty Ltd has given its written consent to act as the Company's auditor, subject to Shareholder approval.

If Resolution 10 is passed, the appointment of BDO Audit Pty Ltd as the Company's auditor will take effect from the close of the Annual General Meeting.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for BDO Audit Pty Ltd to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

The Directors of the Company believe Resolution 10 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

## Enquiries

Shareholders are asked to contact the Company Secretary on 1300 660 448 if they have any queries in respect of the matters set out in these documents.

# Glossary

**Annual Financial Report** means the 2024 Annual Report to Shareholders for the period ended 30 June 2024.

**Annual General Meeting** or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

**ASIC** means Australian Securities and Investment Commission.

**Associate** has the meaning given to it by the ASX Listing Rules.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules** or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Auditor's Report** means the auditor's report as included in the Annual Financial Report.

**AEDT** means Australian Eastern Daylight Time as observed in Sydney NSW.

**Board** means the current board of Directors of the Company.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Chair** means the person chairing the Meeting.

**Closely Related Party** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

**Company** means First Graphene Limited ACN 007 870 760.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a current director of the Company.

**Directors' Report** means the report of Directors as included in the Annual Financial Report.

**Dollar** or "\$" means Australian dollars.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**KMP** means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting dated 17 September 2024 including the Explanatory Statement.

**Option** means an option which, subject to its terms, could be exercised into a Share.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Ordinary Securities** has the meaning set out in the Listing Rules.

**Performance Right** means a performance right which, subject to its terms, could convert to a Share.

**Proxy Form** means the proxy form attached to this Notice of Meeting.

**Remuneration Report** means the remuneration report as set out in the Annual Financial Report.

**Resolutions** means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

**Restricted Voter** means a member of the Company's KMP and any Closely Related Parties of those members.

**Securities** mean Shares and/or Options (as the context requires).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Share Registry** means Automic Pty Ltd, Level 5 126 Phillip Street, Sydney NSW 2000.

**Special Resolution** means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Spill Meeting** means the meeting that will be convened within 90 days of the 2025 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2025 AGM.

**Spill Resolution** means the resolution required to be put to Shareholders at the 2025 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2025 AGM.

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

**VWAP** means the volume weighted average market (closing) price, with respects to the price of Shares.

## Schedule 1 – Terms and Conditions of Share Placement Agreement

The Company entered into a Share Placement Agreement with Specialty Materials Investments, LLC (the Investor) as announced to the ASX on the 27<sup>th</sup> of May 2021.

- Total AUD amount that can be drawn down: \$8,000,000
- Initial deposit shares issued: 2,800,000 shares at \$0.235 per share
- Fee paid: 1,021,276 shares at \$0.235 per share
- Final AUD value of shares to be issued: \$8,480,000 (“subscription amount”)
- Other Terms:
- The final number of shares to be issued by the Company will be determined by applying the Purchase Price (as set out below) to the subscription amount. The Purchase Price will initially be equal to \$0.30 per share and will reset after 10 August 2021 to the average of the five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor’s notice to issue shares, rounded down to the next half a cent if the share price is at below 50 cents and whole cent if the share price is at above 50 cents, with no discount applicable to this formula. To the extent that Placement Shares are issued after six months, or 12 months, the Investor will receive a discount of, respectively, 3% or 6% to the foregoing Purchase Price formula.
- The Purchase Price will be the subject of a Floor Price of \$0.16. If the Purchase Price formula were to result in a purchase price that is less than the Floor Price, the Company may refuse to issue shares and instead opt to repay the relevant subscription amount in cash (with a 5% premium), subject to the Investor’s right to receive Placement Shares at the Floor Price in lieu of such cash repayment. The Purchase Price will not be the subject of a cap.
- The Company has made an initial issuance of 2.8 million Placement Shares to the Investor at the time of the initial funding of the placement, towards the ultimate number of Placement Shares to be issued. Alternatively, in lieu of applying these shares towards the aggregate number of the Placement Shares to be issued by the Company, the Investor may make a further payment to the Company equal to the value of these shares determined using the Purchase Price at the time of the payment. The Company will issue the Placement Shares in relation to all or part of each of the above investments on the Investor’s request, during the period ending 36 months after the date of the investment.
- The Company has retained the right (but has no obligation) to repay the subscription amount in cash in lieu of issuing shares by way of a repayment of the subscription amount together with the difference between the market price of the shares and the Purchase Price (if any) in relation to the shares that would otherwise have been issued.

## SCHEDULE 2 – TERMS OF INCENTIVE AWARD PLAN

### 1. Nature of Plan

An incentive awards plan providing for the issue of shares, options and performance rights (**Awards**) as incentives to Eligible Participants.

### 2. Eligible Participants

Eligible Participants are current or proposed:

- (a) Directors (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a “Group Company”); or
- (b) full, part time or casual employees or individual contractors of any Group Company,

who are declared by the Board to be eligible to receive grants of Awards under the Incentive Awards Plan.

### 3. Invitation

The Board may, in its absolute discretion, make a written invitation to any Eligible Participant to apply for Awards upon the terms set out in the Incentive Awards Plan and upon such additional terms and conditions as the Board determines. On receipt of an Invitation, an Eligible Participant (or their permitted nominee) may apply for the Awards the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in its discretion.

### 4. Invitation limits

Where an Invitation is proposed to be made in reliance on the employee share scheme (**ESS**) provisions of the Corporations Act (**ESS Provisions**), and the Award offered requires cash consideration to be paid either on issue or exercise (e.g. an Option with an exercise price), and the Company is not relying on section 708 of the Corporations Act, the Company must reasonably believe, when making such an Invitation, that the Invitation will not result in the Company breaching the cap imposed by the ESS Provisions.

In general terms the cap is equal to 5% of Shares on issue (or such other percentage set in the Company's constitution), taking into account any Shares issued or that may be issued under the Plan in the past 3 years.

### 5. Conditions to acquisition of Awards

The issue of Awards is conditional on any necessary shareholder, constitutional and regulatory approval being obtained.

### 6. Terms of Convertible Securities

- (a) Each Option or Performance Right (each a **Convertible Security**) will entitle its holder to subscribe for and be issued or transferred, one Share (upon vesting and exercise of that Convertible Security) unless the Plan or an applicable Invitation otherwise provides.
- (b) There are no participating rights or entitlements inherent in Convertible Securities and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company without exercising the Convertible Securities.
- (c) There is no right to a change in the exercise price or in number of underlying

Shares over which a Convertible Security can be exercised, except to the extent an Invitation otherwise provides where permitted by the ASX Listing Rules.

- (d) A Convertible Security does not entitle a participant to vote except as otherwise required by law.
- (e) A Convertible Security does not confer any right to a return of capital, whether in a winding up, or upon a return of capital or otherwise, or a right to participate in surplus profit or assets of the Company upon a winding up.
- (f) A Convertible Security does not confer an entitlement to participate in or receive any dividend (whether fixed or at the discretion of the Board) until the Convertible Security has vested and been exercised and Shares have been allocated as a result of the exercise of the Convertible Security.

## 7. Vesting and exercise of Convertible Securities

Convertible Securities will not vest and be exercisable unless the vesting conditions (if any) attaching to that Convertible Security (**Vesting Conditions**) have been satisfied and the Board has notified the Eligible Participant of that fact. The Board may, in its absolute discretion, by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Convertible Securities.

There is no automatic vesting on a change of control but it can be provided for in specific Invitations for specific Convertible Securities.

A vested Convertible Security may, subject to the terms of any Invitation, be exercised by the holder at any time before it lapses.

## 8. Cashless Exercise Facility

The Board may, in its discretion, where the 7 day VWAP price of Shares (**Market Value**) is higher than the exercise price of vested Options, permit a Participant not pay the exercise price for exercised Options and instead be issued that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share) (**Cashless Exercise Facility**).

## 9. Lapsing of Convertible Securities

A Convertible Security will lapse upon the earlier of:

- (a) the Board, in its discretion, resolving a Convertible Security lapses as a result of an unauthorised disposal of, or hedging of, the Convertible Security;
- (b) a Vesting Condition not being satisfied or becoming incapable of satisfaction (and not being waived by the Board in its discretion);
- (c) in respect of an unvested Convertible Security, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Convertible Security or allow it to remain unvested;
- (d) in respect of a vested Convertible Security, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Convertible Security must be exercised within one month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant, and the Convertible Security is not exercised within that period and the Board resolves, at its discretion, that the Convertible Security lapses as a result;
- (e) the Board deems that a Convertible Security lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the

- Incentive Awards Plan;
- (f) in respect of an unvested Convertible Security, a winding up resolution or order is made, and the Convertible Security does not vest in accordance with rules of the Incentive Awards Plan;
- (g) the Participant and the Company agreeing that the Convertible Security is voluntarily forfeited or cancelled; and
- (h) the Expiry Date of the Convertible Security.

#### **10. Disposal Restriction on Convertible Securities**

Except as otherwise provided for by the Incentive Awards Plan, an Invitation, the ASX Listing Rules or required by law, a Convertible Security may only be disposed:

- (a) with the consent of the Board (which may be withheld in its discretion) in Special Circumstances, being:
  - (i) ceasing to be an Eligible Participant due to death or total or permanent disability, or retirement or redundancy;
  - (ii) severe financial hardship; or
  - (iii) any other circumstance stated to constitute "special circumstances" in the terms of the relevant Invitation; or
- (b) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

#### **11. Disposal Restrictions on Shares**

- (a) Shares can be made subject to a Restriction Condition and/or a Restriction Period, either of which prohibit disposal until satisfied or waived at the Board's discretion (unless an Invitation otherwise provides).
- (b) Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules
- (c) If a Restriction Condition is not met (and is not waived), the Company may, amongst other remedies, buyback and cancel the Shares for nil consideration, sell the Shares for at least 80% of market value and retain the sale proceeds, or declare the Shares to be forfeited and, where held by a trustee, for the Shares to return to the unallocated pool or to be allocated to a different Participant.
- (d) A Share that is subject to a Restriction Period is not at risk of buyback/forfeiture, it is just unable to be disposed of during the Restriction Period.
- (e) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.
- (f) The Participant agrees to execute a restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan or any escrow imposed by the ASX Listing Rules.

#### **12. Other Key Terms**

- (a) All Shares issued under the Incentive Awards Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.
- (b) In the event of a reorganisation of the capital of the Company, all rights of the



holder of an Award will be amended to the extent necessary to comply with the Corporations Act and the ASX Listing Rules applying to reorganisations at the time of the reorganisation.

- (c) Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Awards except to the extent an Invitation provides otherwise.
- (d) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

## Schedule 3 – Material Terms of the Performance Rights

The material terms of the Performance Rights are as follows. The Performance Rights are also subject to the terms and conditions of the Incentive Awards Plan, which are summarised in Schedule 2:

### 1 Entitlement

The Performance Rights entitle the holder (**Holder**) to subscribe for one Share upon the exercise of each Performance Right (once vested)

### 2 Consideration

The Performance Rights will be granted for nil cash consideration.

### 3 Exercise Price

The exercise price of each Performance Right is nil.

### 4 Vesting Conditions

Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (**Vesting Conditions**) specified below:

Vesting Conditions	Tranche 1 Vesting Condition	Tranche 2 Vesting Condition	Tranche 3 Vesting Condition
Share Price <sup>1</sup>	\$0.07	\$0.11	\$0.17
Sales (AUD) <sup>2</sup>	\$1.5 million	\$2.0 million	\$ 5.0 million

Notes:

- 20-day VWAP Share price at 30 June of applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) exceeds the price shown. 25% weighting ie 25% of the Performance Rights in a Tranche will be measured against this vesting condition.
- Sales revenue received during the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) is at least the amount shown, based on audited accounts. 40% weighting ie 40% of the Performance Rights in a Tranche will be measured against this vesting condition.

In addition,:

- 10% of each Tranche is subject to the achievement by a Director of their personal KPI for an applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27) as determined by the Board; and
- 25% of each Tranche is subject to the Director remaining a director of the Company at 30 June of the applicable financial year (Tranche 1: FY25; Tranche 2: FY26; Tranche 3: FY27).

The Board will assess performance against the Vesting Conditions following the end of applicable financial year. If a Share Price or Sales revenue Vesting Condition is partially met, a proportionate percentage of the Performance Rights subject to that Vesting Condition will vest. For example, if FY25 Sales revenue is \$1.2 million, 32% of the Tranche 1 Performance Rights will vest (being 80% of 40%). Any Performance Rights that do not vest will lapse.

Subject to applicable law and the Listing Rules, the Board may:

- have regard to any matters it considers relevant (including any adjustments that the Board or its delegate considers appropriate to address external factors, such as external stakeholder expectations), and its decision will be final and binding; and
- adjust the Vesting Conditions to take into account any significant non-cash items (for example impairment losses), acquisitions or divestments, revenue received in the form of government grants, rebates or other payments, and one-off events/non-recurring items where appropriate

### 5 Expiry Date

30 September 2027 (Tranche 1), 30 September 2028 (Tranche 2), 30 September 2029 (Tranche 3)

## **6 Notice of Exercise**

A holder may exercise vested Performance Rights by lodging with the Company, before the applicable Expiry Date, a written notice of exercise specifying the number of vested Performance Rights being exercised (**Exercise Notice**).

## **7 Timing of issue of Shares on exercise**

On receipt of a valid Exercise Notice, the Company will, in compliance with applicable law and the Plan, issue or transfer a Share to the holder for each vested Performance Right validly exercised.

All Shares issued upon the exercise of Performance Rights will upon issue rank equally in all respects with the then issued Shares.

## **8 Ceasing to be an Eligible Participant**

If you cease to be an Eligible Participant (e.g. by ceasing employment or engagement by the Company), subject to applicable laws and stock exchange rules, any Vesting Conditions in respect of unvested Performance Rights will be deemed to be automatically waived except and to the extent otherwise resolved by the Board in its discretion. For clarity, the Board may resolve that Performance Rights vest in part or remain unvested and do not lapse.

## **9 Change of Control**

In the event of a Change of Control, subject to applicable laws and stock exchange rules, any Vesting Conditions in respect of unvested Performance Rights will be deemed to be automatically waived except and to the extent otherwise resolved by the Board in its discretion. For clarity, the Board may resolve that Performance Rights vest in part or remain unvested and do not lapse.

## **10 Disposal Restrictions**

Performance Rights, and Shares issued or transferred on exercise of Performance Rights, can only be Disposed in certain circumstances as set out in the Plan and this Invitation.

## **11 No Participation rights**

- (a) There are no participation rights or entitlements inherent in the Performance Rights and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (b) A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can vest into.

## **12 Takeover Limitations**

If the exercise of the Performance Rights into the Shares would result in contravention of section 606(1) of the Corporations Act, then the exercise of Performance Rights shall be into such number of Shares that would cause the contravention will be deferred until such time or times thereafter the exercise would not result in such a breach. The holder shall give notification to the Company in writing if the exercise of Performance Rights may result in the contravention of section 606(1) failing which the Company shall assume that the exercise of Performance Rights will not result in any person being in contravention of section 606(1).

## **13 Adjustments for reorganisation**

If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a holder will be varied, as appropriate, in accordance with the ASX Listing Rules which apply to

reorganisation of capital at the time of the reorganisation.

**14 No Quotation of Performance Rights**

The Performance Rights will be unquoted Performance Rights.

**15 Transfer**

The Performance Rights are not transferable except for limited circumstances as provided for by the Plan.

**16 Dividend and voting rights**

A Performance Right does not entitle the Holder to vote or receive any dividends.

**17 Return of capital rights**

The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

**18 Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.

**19 No other rights**

A Performance Right does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

## Annexure A – Nomination of Auditor

**2 October 2024**

First Graphene Limited  
1 Sepia Close  
Henderson, Western Australia 6166

I, Michael Bell, being a member of First Graphene Limited (**Company**), nominate BDO Audit Pty Ltd in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 2 October 2024:

A handwritten signature in black ink, appearing to read 'mjbell', with a horizontal line underneath the name.

# Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **01.00pm (AEDT) on Wednesday, 06 November 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automicgroup.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

#### WEBSITE:

<https://automicgroup.com.au>

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