



Notice of General Meeting



12.00pm (midday) Brisbane time on Friday, 7 April 2017

McCullough Robertson Lawyers
Level 11, 66 Eagle Street
Brisbane, Queensland

Notice of General Meeting

Graphitecorp Limited ACN 157 690 830

Notice is given that a General Meeting of Graphitecorp will be held at:

Location	McCullough Robertson, Level 11, 66 Eagle St, Brisbane QLD 4000
Date	Friday, 7 April 2017
Time	12.00pm (midday) Brisbane time

Special business

Resolution 1: Ratification and approval of previous issue of the First Tranche Notes to sophisticated and professional investors

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 1 'That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue of 12,835,029 Loan Notes at an issue price of \$0.60 per Loan Note, on the terms set out in the Explanatory Memorandum.'

Note: Graphitecorp will disregard any votes cast by or on behalf of any person who participated in the issue of Loan Notes and any of their associates.

The Directors unanimously recommend that you vote in favour of Resolution 1.

Resolution 2: Approval of issue of the Second Tranche Notes to sophisticated and professional investors unrelated to the Directors

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 2 'That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 12,998,305 Loan Notes at an issue price of \$0.60 per Loan Note, on terms set out in the Explanatory Memorandum.'

Note: Graphitecorp will disregard any votes cast by or on behalf of any person who may participate in the issue of Loan Notes and any of their associates.

The Directors (with Mr St Baker, Mr Baynton and Mr Cooper abstaining) recommend that you vote in favour of Resolution 2.

Resolutions 3, 4 and 5: Approval for issue of Loan Notes to the certain Directors (or entities controlled by them)

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 3 'That, for the purposes of Listing Rule 10.11 and all other purposes, Shareholders approve the issue of 166,667 Loan Notes to Mr Philip St Baker (or entities controlled by him), as detailed in the Explanatory Memorandum.'

Note: Graphitecorp will disregard any votes cast by Mr St Baker and any of his associates.

- 4 'That, for the purposes of Listing Rule 10.11 and all other purposes, Shareholders approve the issue of 166,667 Loan Notes to Mr Greg Baynton (or entities controlled by him), as detailed in the Explanatory Memorandum.'

Note: Graphitecorp will disregard any votes cast by Mr Baynton and any of his associates.

- 5 'That, for the purposes of Listing Rule 10.11 and all other purposes, Shareholders approve the issue of 100,000 Loan Notes to Mr Robert Cooper (or entities controlled by him), as detailed in the Explanatory Memorandum.'

Note: Graphitecorp will disregard any votes cast by Mr Cooper and any of his associates.

The Directors (with Mr St Baker, Mr Baynton and Mr Cooper abstaining) recommend that you vote in favour of Resolutions 3, 4 and 5.

Resolution 6: Approval for the issue of Shares in connection with the acquisition of NOVONIX

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 6 'That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 3,357,560 Shares to the founding shareholders of NOVONIX, on terms set out in the Explanatory Memorandum.'

Note: Graphitecorp will disregard any votes cast by or on behalf of any person who may participate in the issue of Shares and any of their associates.

The Directors unanimously recommend that you vote in favour of Resolution 6.

Resolution 7: Equity incentives for key executives in the Downstream Business

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 7 'That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the grant of 6,000,000 options over unissued Shares and issue 1,000,000 Shares to key executives in the Downstream Business, on terms set out in the Explanatory Memorandum.'

Note: Graphitecorp will disregard any votes cast by or on behalf of any person who may participate in the issue of securities and any of their associates.

The Directors unanimously recommend that you vote in favour of Resolution 7.

Resolution 8: Adoption of executive option plan

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 8 'That, for the purpose of Listing Rule 7.2 Exception 9(b) and for all other purposes, Shareholders approve the executive incentive scheme titled 'Executive Option Plan' and for the issue of securities under that plan, on the terms set out in the Explanatory Memorandum.'

The Directors unanimously recommend that you vote in favour of Resolution 8.

Dated: 9 March 2017

By order of the Board



Suzanne Yeates
Company Secretary

Notes

- (a) A Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy.
- (b) The proxy need not be a Shareholder of Graphitecorp. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) Key management personnel (or their closely related parties) (as defined in the Corporations Act) appointed as a proxy must not vote on a resolution connected directly or indirectly with the remuneration of key management personnel if the proxy is undirected unless:
 - (i) the proxy is the person chairing the Meeting; and
 - (ii) the proxy appointment expressly authorises the person chairing the Meeting to vote undirected proxies on that resolution.
- (e) If the proxy form specifies the way the proxy is to vote on a particular resolution the proxy need not vote on a show of hands but if the proxy does so, it must vote as specified in the proxy form.
- (f) If the proxy has two or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands.
- (g) If the proxy is the chair of the Meeting, the proxy must vote on a poll or must vote the way specified in the proxy form.
- (h) If the proxy is not the chair of the Meeting the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as specified in the proxy form.
- (i) If the proxy form specifies the way the proxy is to vote on a particular resolution and the proxy is not the chair of the Meeting and a poll is demanded and either:
 - (i) the proxy is not recorded as attending; or
 - (ii) the proxy does not vote,
 the chair of the Meeting is deemed the proxy for that resolution.
- (j) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case Graphitecorp will require written proof of the representative's appointment which must be lodged with or presented to the Company before the Meeting.
- (k) Graphitecorp has determined under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the General Meeting or an adjourned meeting, securities are taken to be held by those persons recorded in Graphitecorp's register of Shareholders as at 7:00pm (Sydney time) on 5 April 2017.
- (l) If you have any queries on how to cast your votes, please call Suzanne Yeates (Company Secretary) on +61 438 173 330 during business hours.

Voting restrictions

Graphitecorp will, in accordance with the Listing Rules and Corporations Act, disregard any votes cast:

Resolution 1 - Ratification and approval of previous issue of the First Tranche Notes to sophisticated and professional investors	Any person who participated in the issue of Loan Notes and any of their associates.
Resolution 2 – Approval of issue of the Second Tranche Notes to sophisticated and professional investors unrelated to the Directors	Any person who may participate in the proposed issue of Loan Notes and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.
Resolutions 3, 4 and 5 - Approval for issue of Loan Notes to the certain Directors (or entities controlled by them)	Messrs St Baker, Baynton, Cooper in respect of Resolutions 3, 4 and 5 respectively, and any of their associates.
Resolution 6 - Approval for the issue of Shares in connection with the acquisition of NOVONIX	Any person who may participate in the proposed issue of Shares and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.
Resolution 7 - Equity incentives for key executives in the	Any person who may participate in the proposed issue of securities and any person who might obtain a benefit, except a benefit solely in

Downstream Business	the capacity of a holder of ordinary securities, if the resolution is passed.
Resolution 8 – Adoption of executive option plan	None (no Director is entitled to participate in the option plan).

However, Graphitecorp need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Memorandum

Graphitecorp Limited ACN 157 690 830

This Explanatory Memorandum accompanies the Notice of General Meeting of the Company to be held at the office of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland on Friday, 7 April 2017 at 12.00pm (midday) (Brisbane time).

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions proposed and ought to be read in conjunction with the Notice of Meeting.

Background to Resolutions 1 to 5: Approval for the issue of Loan Notes

- 9 On 2 March 2017, Graphitecorp announced commitments to issue 25,833,334 unsecured convertible loan notes to sophisticated and institutional investors (**Loan Notes**). Each Loan Note:
- (a) has a face value of \$0.60 per Loan Note;
 - (b) has a term of 13 months;
 - (c) pays interest on redemption at 10% per annum;
 - (d) may be converted, at the holder's election, to one Share; and
 - (e) are issued on the terms summarised in Schedule 1.
- 10 The issue of Loan Notes will be conducted in two tranches:
- (a) an initial issue of 12,835,029 Loan Notes on or about 7 March 2017 (**First Tranche Notes**), completed under Graphitecorp's existing capacity under Listing Rule 7.1; and
 - (b) a subsequent issue of 12,998,305 Loan Notes (**Second Tranche Notes**), anticipated to be completed shortly after the Meeting (subject to Shareholder approval).
- 11 Directors (and their controlled entities) have applied for 433,334 Loan Notes, which will be issued as part of the Second Tranche Notes (subject to Shareholder approval).
- 12 The proceeds of the issue of Loan Notes will be used to fund Graphitecorp's participation in PUREgraphite, an exclusive joint venture with Coulometrics (Dr Edward Buiel), a recognised leader in battery materials development and testing and, separately, acquire a controlling interest in NOVONIX, a profitable battery testing equipment company (subject to pre-emptive rights). The investor presentation dated 2 March 2017 sets out further details on use of funds.
- 13 If each Resolution is passed, and the First Tranche Notes and Second Tranche Notes are issued and subsequently converted by all holders, the capital structure of Graphitecorp is as follows:

	Number of Shares	% capital
Existing Shareholders	85,566,865	65.4%
Shares issued to Loan Note holders [#]	25,833,334	19.7%
NOVONIX Founders ^{##}	3,357,560	2.6%

Existing performance rights / options ^{\$}	8,562,500	6.5%
Proposed incentive issue (Shares and options) ^{\$\$}	7,500,000	5.7%
TOTAL	130,820,259	100%

Approximately half of the Loan Notes are subject to Shareholder approval (Resolution 2)

The NOVONIX Founders elected to apply for Shares with part of the cash consideration for the acquisition of two-thirds of NOVONIX (see Resolution 4)

\$ Incentives for the Managing Director, comprising 1,562,500 performance rights (exercisable for no consideration: 812,500 of which have vested and 750,000 of which are subject to Graphitecorp's share price closing at \$0.80 on 31 December 2017) and 7,000,000 options exercisable at \$0.30 subject to share price performance targets tested progressively to 30 June 2019 (see Graphitecorp's 2016 Notice of AGM)

\$\$ Incentives for key executives to be approved under Resolutions 7 and 8

Downstream Businesses

14 The investor presentation and announcement lodged on ASX on 2 March 2017 set out the strategic rationale for Graphitecorp's participation in PUREgraphite, an exclusive joint venture with Coulometrics (Dr Edward Buie) and acquisition of a controlling interest in NOVONIX.

15 A summary of the transactions in respect of PUREgraphite and NOVONIX is set out below:

PUREgraphite

- (a) Graphitecorp and Coulometrics propose to enter into an incorporated joint venture (50/50) to develop and commercialise high purity battery grade graphite for the electric vehicle and other energy storage markets.
- (b) Graphitecorp will contribute USD \$5 million to PUREgraphite, which will acquire the graphite related intellectual property from Coulometrics.
- (c) Graphitecorp will contribute a further USD \$5 million (over 12 months) to cover anticipated capital and operating costs (including the purchase of a production spheronizing system).
- (d) Coulometrics will contribute various plant and equipment and services.
- (e) Graphitecorp has the right to exploit excess capacity to the production of graphite anode material greater than 1,000 tonnes per annum (at its cost).
- (f) PUREgraphite will be the exclusive vehicle through which Coulometrics (or its founder) conducts research and development and commercialisation of graphite for use in battery and energy storage and any services in the area of graphite materials.
- (g) Graphitecorp has a call option to acquire half of Coulometrics' interest in PUREgraphite (25% of PUREgraphite) for USD \$5 million (exercisable within two years).

NOVONIX

- (h) Graphitecorp has agreed to acquire a two-third interest in NOVONIX from the two founding shareholders of NOVONIX (**NOVONIX Founders**), for a sale price of CAD \$3,333,332.
- (i) The NOVONIX Founders have elected to take part of that consideration in Shares. If the acquisition of two-thirds of NOVONIX proceeds, Graphitecorp would issue 3,357,560 Shares to the NOVONIX Founders, together with cash payments totalling CAD \$2,000,000.

- (j) The purchase is subject to a number of conditions precedent, including compliance with the NOVONIX shareholders' agreement. In particular, the agreement includes customary shareholder protections, such as pre-emptive rights, drag-along rights and tag-along rights. The other shareholder of NOVONIX, a lithium-ion car battery manufacturer, has pre-emptive rights in relation to the sale, in addition to tag-along rights.

Resolution 1: Ratification and approval of previous issue of the First Tranche Notes to sophisticated and professional investors

- 16 Resolution 1 seeks approval from Shareholders under Listing Rule 7.4 (and for all other purposes) to ratify the previous issue of the First Tranche Notes to sophisticated and professional investors on or about 7 March 2017.
- 17 Listing Rule 7.1 provides that, subject to certain exemptions, prior approval of Shareholders is required for an issue of equity securities if the securities will, when aggregated with the securities issued by Graphitecorp during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period. The Loan Notes are equity securities for the purposes of the Listing Rules. Each Loan Note is treated as a Share under Listing Rule 7.1 (reflecting the 'one for one' conversion ratio).
- 18 The issue of First Tranche Notes detailed in this Resolution did not exceed Graphitecorp's 15% threshold. However, Listing Rule 7.4 provides that where Graphitecorp ratifies an issue of equity securities, the issue is treated as having been made with Shareholder approval for the purpose of Listing Rule 7.1, thereby replenishing Graphitecorp's 15% capacity and enabling it to issue further equity securities up to that limit.
- 19 For the purposes of Listing Rule 7.5, Graphitecorp provides the following particulars:

Allottees	Sophisticated and institutional investors
Number of Loan Notes	12,835,029 Loan Notes
Face value (issue price) of Loan Notes	\$0.60 per Loan Note (\$7.7 million total)
Maximum number of Shares to be issued on conversion	12,835,029 Shares
Date of issue of Loan Notes	First Tranche Notes expected to be issued on 7 March 2017 – Shares issued on the conversion of those First Tranche Notes will be subject to conversion by the holder (any time until redemption)
Terms of issue	Loan Note terms are summarised in Schedule 1 Shares issued on conversion of Loan Notes will be issued on the same terms as, and rank equally with, existing Shares
Intended use of funds	Payments required pursuant to the PUREgraphite joint venture

Directors' Recommendation

- 20 The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

Resolution 2: Approval of issue of the Second Tranche Notes to sophisticated and professional investors unrelated to the Directors

- 21 Resolution 2 seeks approval from Shareholders under Listing Rule 7.1 (and for all other purposes) for the issue of the Second Tranche Notes. Settlement of the Second Tranche Notes is expected to occur shortly after the Meeting (subject to Shareholder approval).
- 22 As outlined in paragraph 17 above, Listing Rule 7.1 prohibits Graphitecorp from issuing more than 15% of its issued share capital without obtaining Shareholder approval. The issue of the Second Tranche Notes (if made without Shareholder approval) would exceed Graphitecorp's 15% capacity. Resolution 2 therefore proposes that Shareholders approve the issue of the Second Tranche Notes to those investors other than the entities controlled by certain Directors, for the purpose of satisfying the requirements of Listing Rule 7.1.
- 23 The Second Tranche Notes will be issued conditional on Shareholder approval under Resolution 2.
- 24 For the purposes of Listing Rule 7.3, Graphitecorp provides the following particulars:

Allottees	Sophisticated and institutional investors
Number of Loan Notes	12,998,305 Loan Notes (including those Loan Notes to be issued to Directors, the subject of Resolutions 3 to 5)
Face value (issue price) of Loan Notes	\$0.60 per Loan Note (\$7.8 million total)
Maximum number of Shares to be issued on conversion	12,998,305 Shares
Date of issue of Loan Notes	Second Tranche Notes expected to be issued shortly after the meeting to approve Resolution 2 (on or about 10 April 2017) but in any event no later than three months after the Meeting. Shares issued on the conversion of those Second Tranche Notes will be subject to conversion by the holder (any time until redemption)
Terms of issue	Loan Note terms are summarised in Schedule 1 Shares issued on conversion of Loan Notes will be issued on the same terms as, and rank equally with, existing Shares
Intended use of funds	Further payments required pursuant to the PUREgraphite joint venture and purchase of shares in NOVONIX

Directors' Recommendation

- 25 The Directors (with Mr St Baker, Mr Baynton and Mr Cooper abstaining) recommend that Shareholders vote in favour of Resolution 2.

Resolutions 3, 4 and 5: Approval for issue of Loan Notes to the certain Directors (or entities controlled by them)

- 26 Resolutions 3, 4 and 5 seek approval from Shareholders under Listing Rule 10.11 for the issue of Loan Notes to Directors (and their controlled entities) as part of the issue of Second Tranche Notes.

Listing Rule 10.11

- 27 Listing Rule 10.11 requires Graphitecorp to obtain Shareholder approval prior to the issue of securities to a related party of Graphitecorp. 'Related party' is defined in the Listing Rules and the Corporation Act to include the Directors and their spouses, as well as entities controlled by the Directors. Therefore, the issue of Second Tranche Notes contemplated in Resolutions 3, 4 and 5 requires Shareholder approval under Listing Rule 10.11 before the Loan Notes can be issued to certain Directors.
- 28 If approval is obtained pursuant to Listing Rule 10.11, Graphitecorp will be entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 7.1.
- 29 The Directors (or entities controlled by them) have subscribed for the following Second Tranche Notes, which, subject to Shareholder approval under Resolutions 3 to 5 will be issued at the same time as, and otherwise on the same terms as the Second Tranche Notes.

Director	Entity (to whom Loan Notes will be issued)	Number of Loan Notes	Total consideration
Philip St Baker	Peta St Baker (66,667 Loan Notes) Oliver St Baker (50,000 Loan Notes) Harrison St Baker (50,000 Loan Notes)	166,667	\$100,000.20
Greg Baynton	Allegro Capital Nominees Pty Ltd (133,333 Loan Notes) Baynton Brothers Pty Ltd (33,334 Loan Notes)	166,667	\$100,000.20
Robert Cooper	N/A	100,000	\$60,000.00

- 30 For the purposes of Listing Rule 10.13, Graphitecorp provides the following particulars:

Related party	The Director identified in the table above
Maximum number of Shares to be issued on conversion	The Loan Notes identified in the table above
Date Graphitecorp will issue the Loan Notes	Graphitecorp expects to issue the Loan Notes the subject of Resolutions 3 to 5 shortly after the Meeting (on or about 10 April 2017) – Shares issued on the conversion of those First Tranche Notes will be subject to conversion by the holder (any time until redemption)
Face value (issue price) of Loan Notes	\$0.60 per Loan Note
Terms of issue	Loan Note terms are summarised in Schedule 1 Shares issued on conversion of the Loan Notes will be issued on the same terms as, and rank equally with, existing Shares
Intended use of funds	Refer to disclosure in paragraph 24

Directors' Recommendation

- 31 The Directors (with Mr St Baker, Mr Baynton and Mr Cooper abstaining) recommend that Shareholders vote in favour of Resolutions 3 to 5.

Resolution 6: Approval for the issue of Shares in connection with the acquisition of NOVONIX

Background – acquisition of controlling interest in NOVONIX

- 32 Graphitecorp entered into an agreement with the two founding shareholders of NOVONIX (**NOVONIX Founders**), pursuant to which the NOVONIX Founders agreed to sell their shares in NOVONIX (representing two-thirds of the issued capital of NOVONIX) for cash consideration CAD \$3,333,332.
- 33 The NOVONIX Founders have elected to take part of that consideration in Shares. If the acquisition of two-thirds of NOVONIX proceeds, Graphitecorp would issue 3,357,560 Shares to the NOVONIX Founders, together with cash payments totalling CAD \$2,000,000.
- 34 The purchase is subject to a number of conditions precedent, including compliance with the NOVONIX shareholders' agreement. In particular, the agreement includes customary shareholder protections, such as pre-emptive rights, drag-along rights and tag-along rights. The other shareholder of NOVONIX, a lithium-ion car battery manufacturer, has pre-emptive rights in relation to the sale, in addition to tag-along rights. The acquisition of shares in NOVONIX will be subject to that shareholder not exercising its pre-emptive rights.

Listing Rule 7.1

- 35 Resolution 6 seeks approval from Shareholders under Listing Rule 7.1 (and for all other purposes) for the issue of Shares to the NOVONIX Founders. Settlement of the issue of Shares will depend on the timing of the transaction (expected within three months after the date of the Meeting).
- 36 As outlined in paragraph 17 above, Listing Rule 7.1 prohibits Graphitecorp from issuing more than 15% of its issued share capital without obtaining Shareholder approval. The issue of Shares to the NOVONIX Founders (if made without Shareholder approval) would exceed Graphitecorp's 15% placement capacity. Resolution 6 therefore proposes that Shareholders approve the issue of Shares to the NOVONIX Founders for the purpose of satisfying the requirements of Listing Rule 7.1.
- 37 For the purposes of Listing Rule 7.3, Graphitecorp provides the following particulars:

Allottees	Shareholders of NOVONIX (or their nominees)
Maximum number of securities to be issued	3,357,560 Shares to NOVONIX Founders
Date the Company will issue the securities	Within three months after the date of the Meeting
Issue price	\$0.510206 per Share
Terms of Shares	Subject to voluntary escrow for 12 months from the date of issue – otherwise, issued on the same terms as, and rank equally with, the existing issued Shares
Intended use of funds	Part consideration for the acquisition of shares in NOVONIX

Directors' Recommendation

38 The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

Resolution 7: Equity incentives for key executives in the Downstream Business

39 The Board considers it critical to the success of its downstream integration business that it has an appropriate incentive structure in place to retain and motivate key individuals in the Downstream Businesses. Resolution 7 seeks approval from Shareholders under Listing Rule 7.1 (and for all other purposes) for the Board to have the capacity to issue 1,000,000 Shares (**Share Incentive**) and grant 6,000,000 options over unissued Shares (**Option Incentive**) to employees and executives in the Downstream Businesses, on the terms summarised below.

40 For the purposes of Listing Rule 7.3, Graphitecorp provides the following particulars:

Allottees	Key executives in the Downstream Business
Maximum number of securities to be issued	6,000,000 options over unissued Shares 1,000,000 Shares
Date Graphitecorp will issue the securities	Within three months after the date of the Meeting
Issue price	Nil
Terms of issue	In respect of the Option Incentive: <ul style="list-style-type: none"> - Expiry of three years from date of grant - Exercise price of \$0.510206 per option - Vest two years after commencement of employment (or continuity of employment after completion of the relevant transaction) - Otherwise, the terms set out in Schedule 2 - Shares issued on exercise of options will be issued on the same terms as, and rank equally with, existing Shares In respect of the Share Incentive, the Shares issued will be issued on the same terms as, and rank equally with, existing Shares, but will be subject to voluntary escrow for a period of 12 months from the date of issue
Intended use of funds	Exercise proceeds of approximately \$3 million would be used for Graphitecorp's general working capital

Directors' Recommendation

41 The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

Resolution 8: Adoption of executive option plan

42 Resolution 8 seeks Shareholder approval for the adoption of an employee incentive plan (titled Executive Option Plan (**Option Plan**)) in accordance with Listing Rule 7.2 Exception 9(b).

43 Listing Rule 7.1 provides that, subject to certain exemptions, prior approval of Shareholders is required for an issue of equity securities if the securities will, when aggregated with the equity

securities issued by Graphitecorp during the previous 12 months, exceed 15% of the number of the securities on issue at the commencement of that 12 month period.

- 44 Listing Rule 7.2 Exception 9(b) is an exception to Listing Rule 7.1. It says that issues under an employee incentive scheme are exempt for three years from the date on which shareholders approve the issue of securities under the scheme as an exception to Listing Rule 7.1. Therefore, if Resolution 8 is passed, Graphitecorp may grant options under the Option Plan to eligible participants over a period of three years without the grant reducing Graphitecorp's 15% placement capacity under Listing Rule 7.1.
- 45 The objective of the Option Plan is to attract, motivate and retain key employees and contractors who are critical to the success of Graphitecorp. Directors are not eligible to participate.
- 46 The Board will be empowered to operate the Option Plan and grant options to eligible participants in accordance with the Listing Rules and on the terms set out in Schedule 2.
- 47 Subject to obtaining Shareholder approval under this Resolution, Graphitecorp intends to grant 500,000 options over unissued Shares in the Company to five eligible participants. Each option will have an exercise price of \$0.60 and an expiry of three years from the date of grant. Half of the options granted to an eligible participant will vest immediately, with the balance vesting on the date that is 12 months after the date of grant (or will lapse of cessation of employment/ services before that time).
- 48 No options have previously been issued under the Option Plan.

Directors' Recommendation

- 49 The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

Glossary

Term	Definition
\$	the lawful currency of Australia.
ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	the board of directors of the Company.
CAD	the lawful currency of Canada.
Company or Graphitecorp	Graphitecorp Limited ACN 157 690 830.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Corporations Regulations	<i>Corporations Regulations 2001</i> (Cth).
Coulometrics	Edward Buell Consulting, LLC DBA Coulometrics
Director	a director of the Company from time to time.
Downstream Business	the business to be conducted by NOVONIX and PUREgraphite.
Explanatory Memorandum	the explanatory memorandum attached to the Notice of Meeting.
First Tranche Notes	12,835,029 Loan Notes to be issued on or about 7 March 2016.
General Meeting or Meeting	Graphitecorp's general meeting the subject of this Notice of Meeting.
Listing Rules	the listing rules of ASX.
Loan Notes	the unsecured convertible loan notes, the terms of which are summarised in Schedule 1.
Notice of Meeting	this notice of meeting and includes the Explanatory Memorandum.
NOVONIX	NOVONIX Battery Testing Services Inc., a corporation incorporated under the laws of Canada.
NOVONIX Founders	the two founding shareholders of NOVONIX who have agreed to sell their shares in NOVONIX (representing two-thirds of the issued capital of NOVONIX) to Graphitecorp.
PUREgraphite	the incorporated joint venture between Graphitecorp and Coulometrics described in paragraph 15.
Resolution	a resolution proposed in this Notice of Meeting.
Second Tranche Notes	12,998,305 Loan Notes.
Shares	the fully paid ordinary shares in the capital of Graphitecorp.
Shareholder	a person who is the registered holder of Shares.
USD	the lawful currency of the United States of America.

Schedule 1

Loan Note terms

- 1.1 **Face value:** Each Loan Note has a face value of \$0.60 (**Face Value**).
- 1.2 **Redemption date:** Each Loan Note, if not converted, must be redeemed on the date that is 13 months after the issue date and may be redeemed on an earlier date nominated by the Company (**Redemption Date**). If the Company intends to issue a notice of early redemption, it intends to give holders notice of that intention, so holders may convert outstanding Loan Notes.
- 1.3 **Payment of redemption:** On redemption of the Loan Notes, the Company must pay the holder the Face Value of each Loan Note and all accrued and unpaid interest on such Loan Note, which, irrespective of the Redemption Date, is deemed to be an amount of interest that would have applied to the redeemed Notes had they been redeemed 13 months after the date of issue.
- 1.4 **Interest:** Interest, at 10% per annum, is payable on each Loan Note and is paid in arrears by the Company on the Redemption Date (with the first and only interest payment to be made on the Redemption Date). No interest is payable if the holder elects to convert the Loan Note.
- 1.5 **Conversion on 1 for 1 basis:** Each Loan Note converts, at the holder's election, into one fully paid ordinary share in the Company.
- 1.6 **Notice of conversion:** The holder may, at any time before the Company gives an early redemption notice, elect to convert any number of Loan Notes, in which case the Company must, within 40 business days, issue one fully paid ordinary share in the Company for each Loan Note, apply for quotation of such Loan Note on ASX.
- 1.7 **Payments:** Payments made on redemption of a Loan Note (including interest) will be paid by transfer to the bank account nominated by the holder from time to time.
- 1.8 **Transfer:** The Notes may be transferred by an instrument of transfer approved by the Company and accompanied by the relevant Loan Note certificate.
- 1.9 **Register:** The Company must establish and maintain the register of Loan Note holders and need only recognise the registered holder as the owner of a Loan Note and is not bound to take notice or see to the execution of any trust to which any Loan Note may be subject. Payment to the registered holder shall be a good discharge for the Company notwithstanding any notice it may have of the right, title or interest of any other person to or in the Loan Notes or such moneys. If several persons are entered in the Register as joint holders of any Notes then the payment to any one of such persons of any amount from time to time payable in respect of such Notes will be an effective discharge to the Company for the moneys so paid.
- 1.10 **Loan Note certificates:** The Company must issue Loan Note certificates to each holder. If any certificate becomes worn out or defaced then upon its production to the Company it may cancel the same and issue a new certificate. If any certificate is lost or destroyed then upon proof to the satisfaction of the Company and upon such indemnity as the Company may require being given, a replacement certificate shall be given to the Investor. Any certificate that is returned to the Company in connection with the conversion or transfer of any Notes must be cancelled by the Company when the conversion or transfer is recorded in the register.
- 1.11 **General covenants:** The Company agrees with each holder that it will, so long as Loan Notes remain outstanding: (a) comply with the Loan Note terms; (b) maintain its corporate existence; (c) prepare and maintain proper books of account in accordance with the Corporations Act; and

(d) notify the holder in writing of any Event of Default or a potential Event of Default as soon as the Company becomes aware of the occurrence.

- 1.12 **Events of default:** It is an Event of Default if one of the following events occur: (a) (non-payment) the Company fails to pay any amount payable under this document at the time that it is due; (b) (involuntary winding up) an application or order is made for the winding up of the Company or for the appointment of a liquidator; (c) (voluntary winding up) the Company passes a resolution for its winding up; (d) (receiver) a receiver, controller (within the meaning of section 9 Corporations Act) or analogous person is appointed to take possession of all, or any part of the assets of the Company; (e) (insolvency) the Company: (i) becomes an externally-administered body corporate within the meaning of the Corporations Act; (ii) becomes subject to administration under Part 5.3A Chapter 5 Corporations Act; or (iii) is, or states that it is, or is deemed by applicable law to be, unable to pay its debts; or (f) (compromise or arrangement) the Company takes any step for the purpose of entering into a compromise or arrangement with any, of its members or creditors except for the purpose of a reconstruction, amalgamation, merger or consolidation on terms approved by the members of the Company.
- 1.13 If an Event of Default occurs an Investor may by written notice to the Company require the Notes held by such person to be repaid, and the Company must repay such Notes plus the interest accrued on such Notes within 40 Business Days after receipt of such notice.
- 1.14 **Amendment:** This Loan Note terms may only be amended by the Company if: (a) the amendment does not materially prejudice any of the Investors; or (b) holders of 75% of the Loan Notes on issue agree to the amendment in writing.

Schedule 2

Option Plan Terms

- 1.1 **Eligibility:** Eligible persons under the Option Plan include:
- (a) full or part time employees, contractors or service providers of the Company or any associated body corporate of the Company; or
 - (b) any other person who may participate without requiring compliance with Chapters 6D.2, 6D.3 (except section 736) and 7.9 of the Corporations Act,
- but excludes any Director (**Eligible Participants**).
- 1.2 **Consideration:** Options issued under the Executive Option Plan will be issued for nil cash consideration.
- 1.3 **Conversion:** Each Option will entitle the holder to subscribe for and be issued one Share ranking equally in all respect with the existing issued Shares in the Company.
- 1.4 **Exercise Price and Expiry Date:** The exercise price (if any) and expiry date of an Option offered under an offer will be determined by the Board in its discretion.
- 1.5 **Exercise Restrictions:** The Options granted under the Option Plan may be subject to such conditions as determined by the Board in its discretion (**Exercise Conditions**) which must be satisfied (unless waived by the Board in its absolute discretion) before the Option can be exercised. Any restrictions imposed by the Directors must be set out in the offer for the Options.
- 1.6 **Lapsing of Options:** Subject to the terms of the Offer made to an Eligible Participant, an unexercised Option will lapse:
- (a) on its expiry date;
 - (b) if any Exercise Condition is unable to be met; and
 - (c) subject to certain exceptions, on the Eligible Participant ceasing to be an employee, contractor or service provider of the Company or an associated body corporate of the Company.
- 1.7 **Share Restriction Period:** A Share issued on the exercise of an Option may be subject to a restriction that they may not be transferred or otherwise dealt with until a restriction period has expired, as specified in the offer for the Options.
- 1.8 **Disposal of Options:** Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise.
- 1.9 **Trigger Events:** The Company may permit Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover or entry into a scheme of arrangement).
- 1.10 **Participation in Rights Issues and Bonus Issues:**
- (a) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend

reinvestment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.

- (b) In the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

1.11 **Reorganisation:** If at any time the capital of the Company is reorganised, the terms of the Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

LODGE YOUR VOTE

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

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

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

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



X99999999999

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **12:00pm(midday) on Friday, 7 April 2017 at McCullough Robertson, Level 11, 66 Eagle St, Brisbane QLD 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification and approval of previous issue of the First Tranche Notes to sophisticated and professional investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval for issue of Loan Notes to Mr Robert Cooper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of issue of the Second Tranche Notes to sophisticated and professional investors unrelated to the Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval for the issue of shares in connection with the acquisition of NOVONIX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval for issue of Loan Notes to Mr Philip St Baker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Equity incentives for key executives in the Downstream Business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for issue of Loan Notes to Mr Greg Baynton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Adoption of Executive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00pm(midday) on Wednesday, 5 April 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

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

or

Level 12
680 George Street
Sydney NSW 2000

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

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**