



Graphene Manufacturing Group

BOARD CHARTER

30 June 2021

Board Charter

1. Introduction

- 1.1 The Charter provides a summary of the role and responsibilities of the Board of Directors in the business and affairs of Graphene Manufacturing Group Limited (the **Company**) and its controlled entities. It should be read in conjunction with the Company's Corporate Governance Documents.
- 1.2 The Board is constituted and empowered pursuant to the Constitution of the Company (2021) and the Australian Corporations Act 2001.

2. Role and responsibilities

- 2.1 The Board oversees the business and affairs of the Company.
- 2.2 Subject to the Board's ultimate responsibility for oversight and the matters specifically reserved to the Board under Section 2.4, the Board may delegate authority to perform any of its functions and exercise any of its powers to its Committees, a Director or any other person.
- 2.3 The Board does not manage the day-to-day operations of the Company. This is delegated to management through the Chief Executive Officer. However, the Board may provide support, advice and counsel to, and review the actions of, the Chief Executive Officer. The senior executive team is responsible for providing the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities.
- 2.4 In addition to matters expressly required by law to be approved by the Board, the following matters are reserved to the Board, subject to the limitations set out in the Company's constitution and the Corporations Act 2001 (Cth):
 - (a) defining the entity's purpose;
 - (b) approving the statement of values and Code of Conduct so as to underpin the desired culture;
 - (c) appointment and removal of the Chief Executive Officer;
 - (d) approval of the annual budget and major capital expenditure;
 - (e) approval of the financial statements for interim (quarterly) and full year financial periods and, in particular, the release of the Company's full year and interim (quarterly) financial results and associated market announcements and disclosures;
 - (f) approval of the Company's Annual Report (and/or equivalent disclosure documents as required by regulations in relevant jurisdictions);
 - (g) approval of specific market announcements containing material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
 - (h) approval of dividends, the Company's dividend policy and other capital management initiatives including the issue, allotment, buy-back or forfeiture of shares, options or other securities in the Company;
 - (i) ensuring an appropriate risk management framework (for both financial and non-financial risks), which the Board must approve at least annually, and setting the risk appetite within which management is expected to operate;
 - (j) appointment of Directors to fill vacancies or as additional Directors and ensuring that an appropriate balance of skills, knowledge, experience, independence, diversity and

expertise is maintained on the Board consistent with the Company's Values and Policies and are also consistent with the *Business Corporations Act (Ontario)* requirements for at least 25% resident Canadians and at least two directors are 'independent' in accordance with TSX Venture Exchange rules;

- (k) remuneration of Directors;
- (l) appointment of Chair;
- (m) appointment of Directors to the Company's subsidiary company boards;
- (n) appointment and removal of the Company Secretary;
- (o) establishment of Board Committees, their membership and terms of reference;
- (p) calling of Shareholders' meetings;
- (q) delegation of the Board's powers; and
- (r) any other specific matters nominated by the Board from time to time.

The Board reserves the right to review and amend the list above from time to time as is considered necessary.

2.5 In addition, without limiting its role, the responsibilities of the Board also includes:

- (a) setting, in consultation with management, the strategic and financial objectives and overseeing management's implementation of the strategic and financial objectives;
- (b) monitoring the performance of management generally, both directly and through its Committees, including oversight of management in its implementation of the strategic objectives, instilling of the values and performance generally;
- (c) approving the appointment and replacement of the CFO;
- (d) wherever required, challenging management, and holding it to account;
- (e) reviewing and, where appropriate, approving major corporate plans and actions (such as significant acquisitions and disposals);
- (f) approving capital expenditure in excess of limits delegated to management;
- (g) approval of major financing facilities;
- (h) reviewing the Company's policies on risk oversight and management and satisfying itself that a sound system of risk management and internal control has been implemented to manage the material risks affecting the Company's business, including compliance with all applicable laws;
- (i) overseeing the reliability and integrity of accounting, financial reporting and financial management and disclosure practices and systems including the external audit and receiving appropriate declarations from the CEO and CFO;
- (j) approving the adoption of the corporate governance policies and monitoring the effectiveness of governance practices;
- (k) overseeing the process for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities and satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- (l) assessment of Board's and Board Committees' performance and remuneration;
- (m) overseeing the Company's Health, Safety, Sustainability & Environment practices;
- (n) evaluating the performance of and determining the remuneration of the Chief Executive

Officer;

- (o) ensuring that there are plans in place to manage the succession of senior Executives;
- (p) approving the remuneration framework, including any employee share plans and the grant of any incentives under such plans and satisfying itself that the remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- (q) establishing a formal and transparent procedure for the selection and appointment of new Directors to the Board;
- (r) ensuring that appropriate induction programs and continuing professional development opportunities for Directors are in place;
- (s) ensuring that internal procedures are in place for evaluating the performance of:
 - (i) the Board;
 - (ii) individual Directors; and
 - (iii) the Board Committees;
- (t) regularly reviewing the division of functions between the Board and Management to ensure that it continues to be appropriate to the needs of the Company;
- (u) ensuring that appropriate procedures are in place so that business is conducted in an honest, open and ethical manner; and
- (v) performing such other functions as are prescribed by law or assigned to the Board.

2.6 The Board of Directors also has power to make recommendations to Shareholders.

3. Chair

3.1 The Chair is responsible for:

- (a) providing leadership of the Board;
- (b) facilitating the effective contribution of all Directors;
- (c) approving agendas for Board meetings and ensuring that adequate time is available for discussion of all agenda items at Board meetings;
- (d) promoting constructive and respectful relations among Directors and between the Board and senior management of the Company; and
- (e) behaving in a manner which shows its commitment to the Company's Values.

3.2 The Chair is the official spokesperson for the Board, unless the Board determines otherwise.

4. Directors

4.1 Directors must at all times act in accordance with the Company's Values, in good faith, with honesty and in the Company's best interest having regard to the long term consequences of any decisions on employees, suppliers, customers, the community and the environment.

4.2 Directors must avoid conflict of interest between their personal interests and their duties to the Company including not accepting benefit from a third party and declaring an interest, direct or indirect, in a proposed transaction or arrangement with the Company. Any potential conflicts should be first raised with the Chair before arising or declared before Board decisions.

4.3 Directors are expected to be fully transparent to the Board about any other (non) executive role(s) Directors occupy or intend to occupy.

- 4.4 Individual Directors are also expected to:
- (a) prepare for each Board and committee meeting and maintain an excellent Board and committee meeting attendance record;
 - (b) participate fully and frankly in Board deliberations and discussions and demonstrate a willingness to listen to others' opinions and consider them;
 - (c) think, speak and act independently and be willing to raise tough questions in a manner that encourages open discussion;
 - (d) focus inquiries on issues related to strategy, policy and results rather than day-to-day issues of corporate management;
 - (e) participate on committees and become knowledgeable about the duties, purpose and goals of each committee;
 - (f) become knowledgeable about the Company's business and the industry in which it operates, including the regulatory, legislative, business, social and political environments;
 - (g) annually review the Board Mandate and any other documents used by the Board in fulfilling its responsibilities; and
 - (h) behave in a manner which shows their commitment to the Company's Values.
- 4.5 The Directors acknowledge that the Company is a globally focused disruptive high growth business and as such will require additional support from Directors from time to time to progress Company developments.

5. Company Secretary

- 5.1 The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- 5.2 The Company Secretary is responsible for:
- (a) advising the Board and its Committees on governance matters;
 - (b) monitoring that Board Committee and policy procedures are followed;
 - (c) coordinating the timely completion and dispatch of Board and Committee papers;
 - (d) reflecting the business at Board and Committee meetings in the minutes of those meetings (subject to the approval of such minutes by the Directors/Committee Members);
 - (e) organising and facilitating the induction of new Directors; and
 - (f) behaving in a manner which shows their commitment to the Company's Values.

6. Other Matters

- 6.1 The Board may meet without management being present at such times as it believes appropriate.
- 6.2 Directors are entitled to obtain independent professional advice, at the Company's cost, whenever they reasonably judge such advice to be necessary for them to discharge their responsibilities as Directors.
- 6.3 Before obtaining independent professional advice, Directors should advise the Chair of the fees payable for such advice and the reasons why they believe such advice to be necessary for them to discharge their responsibilities as Directors.

7. Adoption of this Charter

7.1 This Charter has effect from 30th June, 2021