



**Carbon Revolution Limited**

ABN: 96 128 274 653

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## Important notes regarding COVID-19 and participation in the meeting

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The 2020 Annual General Meeting of shareholders of Carbon Revolution Limited (**Company**) is to be held at 10:00am (AEDT) on Friday, 6 November 2020.

In response to Government restrictions and the potential health risks arising from the coronavirus (COVID-19) pandemic, this year the Company's Annual General Meeting will be held virtually. There will not be a physical meeting where shareholders can attend but shareholders can participate in the meeting online via <https://agmlive.link/CBR20>.

The online platform will allow shareholders to view the Annual General Meeting, ask questions during the meeting, and vote during the meeting. Further details on how to participate online will be published on the Company's website.

Even if you plan to attend the Annual General Meeting online, we encourage you to submit a directed proxy vote as early as possible so that your vote will be counted if for any reason you cannot attend (for example, if there is an issue with your internet connection on the day of the AGM that prevents you from attending online). Shareholders may use the Proxy Form attached and can lodge their proxy online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) by 10:00am (AEDT) on Wednesday, 4 November 2020.

Shareholders may also submit questions in advance of the meeting at

<https://www.linkmarketservices.com.au> by no later than **5:00pm** (AEDT) on **Friday, 30 October 2020**.

In the event that it is necessary for the Company to give further updates, information will be provided on the Company's website and lodged with the Australian Securities Exchange (**ASX**).

We appreciate your understanding in this challenging time.

## Notice of Annual General Meeting

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Notice is given that the 2020 Annual General Meeting of Carbon Revolution Limited (**Carbon Revolution** or the **Company**) will be held as a virtual meeting at <https://agmlive.link/GBR20> on Friday, 6 November 2020 at 10:00am (AEDT).

## Agenda items

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### **1 Financial Report, Directors' Report and Auditor's Report**

To receive and consider the financial report, directors' report and auditor's report for the Company and its controlled entities for the year ended 30 June 2020.

### **2 Re-election of Directors**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That **Lucia Cade**, being eligible, be re-elected as a Director of the Company.

### **3 Remuneration Report**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That the Remuneration Report for the year ended 30 June 2020 be adopted.

*Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. A voting exclusion statement applies to this resolution (see section 4 of the notes relating to voting).*

### **4 Non-Executive Director Fee Sacrifice Scheme**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That approval is given for all purposes for the issue of NED rights to all current Non-Executive Directors who salary sacrifice a portion of their remuneration under the Non-Executive Director Fee Sacrifice Scheme, on the terms set out in the Explanatory Notes to this Notice of Meeting.

*Note: A voting exclusion statement applies to this resolution (see section 4 of the notes relating to voting).*

### **5 Grant of Rights to Chief Executive Officer pursuant to FY20 STI Scheme**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That approval is given for all purposes for the issue of STI rights to the Managing Director and Chief Executive Officer (**CEO**) under the FY20 STI Scheme, on the terms set out in the Explanatory Notes to this Notice of Meeting.

*Note: A voting exclusion statement applies to this resolution (see section 4 of the notes relating to voting).*

**6 Grant of Rights to Chief Executive Officer pursuant to FY21 Rights (Salary Purchase) Scheme**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That approval is given for all purposes for the issue of rights to the CEO under the Rights (Salary Purchase) Scheme, on the terms set out in the Explanatory Notes to this Notice of Meeting.

*Note: A voting exclusion statement applies to this resolution (see section 4 of the notes relating to voting).*

**7 Ratification of issue of the Placement Shares**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That for the purposes of Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of 16,666,667 fully paid ordinary shares in the Company that occurred on 23 March 2020, on the terms set out in the Explanatory Notes to this Notice of Meeting.

*Note: A voting exclusion statement applies to this resolution (see section 4 of the notes relating to voting).*

**8 Appointment of auditor**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That Deloitte Touche Tohmatsu, having been duly nominated by a shareholder of the Company and having consented in writing to act, be appointed as auditor of the Company.

**The notes relating to voting and the Explanatory Memorandum form part of this Notice of Meeting.**

By Order of the Board

**David Nock**

**General Counsel, Company Secretary**

**5 October 2020**

## Notes relating to voting

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### 1 Entitlement to vote

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of shares in the Company as at 7:00pm (AEDT) on Wednesday, 4 November 2020 will be entitled to attend and vote at the Annual General Meeting as a shareholder. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

If more than one joint holder of shares is present at the Annual General Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

All items of business set out in the Notice of Meeting will be decided by way of a poll. On a poll, shareholders have one vote for every fully paid ordinary share held (subject to the restrictions on voting referred to below).

### 2 Attending the AGM and live voting online

Shareholders can watch and participate in the Annual General Meeting virtually via:

- Computer or a Mobile device – by entering the following URL in your browser **<https://agmlive.link/CBR20>**. The Meeting will be viewable from desktops, laptops, tablets and mobile devices.

To participate and vote online you will need your shareholder number and postcode. Proxy holders will need their proxy number which will be provided by Link Market Services no later than 24 hours prior to the meeting and following lodgement of the proxy appointment. Online participants should register at least 15 minutes before the AGM.

You will be able to live vote during the meeting when invited by the Chair. You will be able to vote for, against or abstain on each item through the online platform.

Further information about how to attend online and the terms and conditions of online participation can be found in the online guide which will be available on the Company's website.

### 3 Technical difficulties

Technical difficulties may arise during the course of the Annual General Meeting. The Chair has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising his discretion, the Chair will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected. Where he considers it appropriate, the Chair may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy by 10:00am (AEDT) on Wednesday, 4 November 2020 even if they plan to attend the Meeting online.

## 4 Voting exclusions

### Resolution 3

The Company will disregard any votes cast on resolution 3:

- by or on behalf of a member of the Company's key management personnel (**KMP**) whose remuneration details are included in the Company's Remuneration Report for the year ended 30 June 2020 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on resolution 3:

- in accordance with a direction in the proxy form; or
- by the Chair of the meeting pursuant to an express authorisation to exercise the proxy even though resolution 3 is connected with the remuneration of the KMP.

### Resolution 4

The Company will disregard any votes on resolution 4:

- cast in favour of the resolution by or on behalf of each Non-Executive Director (being the only Directors of the Company eligible for participation in the Non-Executive Director Fee Sacrifice Scheme) and any of their associates, regardless of the capacity in which the vote is cast; or
- cast as proxy by a person who is a member of the KMP on the date of the Annual General Meeting or their closely related parties,

unless the vote is cast on resolution 4:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- by the Chair of the Annual General Meeting as proxy for a person entitled to vote on the resolution, in accordance with an express authorisation to exercise undirected proxies as the Chair decides; or
- by 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.

### Resolution 5

The Company will disregard any votes on resolution 5:

- cast in favour of the resolution by or on behalf of the CEO (being the only Director entitled to participate in the FY20 STI Scheme) and any of his associates, regardless of the capacity in which the vote is cast; or
- cast as proxy by a person who is a member of the KMP on the date of the Annual General Meeting or their closely related parties,

unless the vote is cast on resolution 5:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- by the Chair of the Annual General Meeting as proxy for a person entitled to vote on the resolution, in accordance with an express authorisation to exercise undirected proxies as the Chair decides; or
- by 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.

## **Resolution 6**

The Company will disregard any votes on resolution 6:

- cast in favour of the resolution by or on behalf of the CEO (being the only Director entitled to participate in the Rights (Salary Purchase) Scheme) and any of his associates, regardless of the capacity in which the vote is cast; or
- cast as proxy by a person who is a member of the KMP on the date of the Annual General Meeting or their closely related parties,

unless the vote is cast on resolution 6:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- by the Chair of the Annual General Meeting as proxy for a person entitled to vote on the resolution, in accordance with an express authorisation to exercise undirected proxies as the Chair decides; or
- by 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.

## **Resolution 7**

The Company will disregard any votes cast in favour of resolution 7 by and on behalf of:

- any person who participated in the Placement; or
- an associate of those persons,

unless the vote is cast in favour of resolution 7:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- by the Chair of the Annual General Meeting as proxy or attorney for a person 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

- by 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.

## 5 Proxies

- (a) A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. A shareholder can appoint a proxy by completing and returning a signed proxy form (see section 6 of these notes relating to voting, and the enclosed proxy form).
- (b) A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.
- (c) If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:
  - appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
  - provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.
- (d) If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions.
- (e) Unless the Chair of the meeting is your proxy, members of the Company's KMP (which includes each of the Directors) will not be able to vote as proxy on resolutions 3, 4, 5 and 6 unless you direct them how to vote. If you intend to appoint any of those persons as your proxy, you should ensure that you direct that person how to vote on resolutions 3, 4, 5 and 6.
- (f) If you intend to appoint the Chair of the meeting as your proxy, you can direct the Chair how to vote by marking the boxes for the relevant resolution (for example, if you wish to vote "for", "against" or to "abstain" from voting). However, if you do not mark a box next to resolutions 3, 4, 5 and 6 then by signing and submitting the proxy form, you will be expressly authorising the Chair to vote as he see fit in respect of resolutions 3, 4, 5 and 6 even though it is connected with the remuneration of the Company's KMP.
- (g) All resolutions will be decided by poll. On a poll, if:
  - a shareholder has appointed a proxy (other than the Chair of the meeting) and the appointment of the proxy specifies the way the proxy is to vote on the resolution; and
  - that shareholder's proxy is either not recorded as attending the meeting or does not vote on the resolution,

the Chair of the meeting will, before voting on the resolution closes, be taken to have been appointed as the proxy for the shareholder for the purposes of voting on that resolution and must vote in accordance with the written direction of that shareholder.

- (h) Please note that for proxies without voting instructions that are exercisable by the Chair of the meeting, the Chair intends to vote all available proxies in favour of each resolution.

## 6 Proxy form

A proxy form accompanies this Notice and to be effective must be received no later than 10:00am (AEDT) on Wednesday, 4 November 2020 in one of the following ways:

Online:	<b>www.linkmarketservices.com.au</b>
Mail:	<p>Link Market Services</p> <p><b>Carbon Revolution Limited</b></p> <p><b>C/- Link Market Services Limited</b></p> <p><b>Locked Bag A14</b></p> <p><b>Sydney South NSW 1235</b></p> <p><b>Australia</b></p>
Facsimile:	<p>(within Australia) <b>02 9287 0309</b></p> <p>(outside Australia) <b>+61 2 9287 0309</b></p>
By Hand	<p>delivering it to Link Market Services Limited*</p> <p>1A Homebush Bay Drive</p> <p>Rhodes NSW 2138</p> <p>or</p> <p>Level 12</p> <p>680 George Street</p> <p>Sydney NSW 2000</p> <p>* During business hours (Monday to Friday, 9:00am–5:00pm)</p>

## 7 Corporate representatives

A body corporate that is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative must ensure that the Company has received evidence of his or her appointment, including any authority under which it has been signed in advance of the Annual General Meeting, unless it has previously been given to the Company.

## 8 Voting by attorney

A shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the Annual General Meeting. An attorney may but need not be a member of the Company.

An attorney may not vote at the meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the Company in the same manner, and by the same time, as outlined above for proxy forms.



## **9 Questions for the company**

Shareholders may submit written questions to the Company before the meeting at

<https://www.linkmarketservices.com.au> by no later than 5:00pm (AEDT) on Friday, 30 October 2020. The Chair will endeavour to address as many of the more frequently raised relevant questions as possible. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to any shareholder.

## **10 Questions for the auditor**

Shareholders may submit written questions to the Company's auditor, Deloitte Touche Tohmatsu, regarding the content of the auditor's report for the year ended 30 June 2020 or the conduct of its audit of the annual financial report for the year ended 30 June 2020.

Written questions must be received by the Company by no later than 5:00 pm (AEDT), on Friday, 30 October 2020. Please send any written questions to:

Company Secretary  
Carbon Revolution Limited  
Email: [investors@carbonrev.com](mailto:investors@carbonrev.com)

The Company will make available to shareholders attending the meeting copies of the list of questions directed to the auditor that were received in writing and are questions the auditor considers relevant to the auditor's report or the conduct of the audit of the financial report for the year ended 30 June 2020. If written answers are tabled at the meeting, they will be made available to shareholders as soon as practicable after the meeting. The auditor is not required to provide individual responses to shareholders.

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## Explanatory Memorandum

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This Explanatory Memorandum has been prepared to help shareholders understand the items of business at the forthcoming Annual General Meeting.

### 1 Financial Report

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The Corporations Act requires the annual financial report of the Company for the year ended 30 June 2020 (which includes the financial statements, notes to the financial statements and Directors' declaration), and Directors' report and the auditor's report to be laid before the Annual General Meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders on the reports. However, shareholders will be given an opportunity to raise questions or comments on the management of the Company.

A reasonable opportunity will also be given to shareholders as a whole at the meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Shareholders can access a copy of the annual report on the Company's website at <https://www.carbonrev.com/>.

### 2 Re-election of Directors

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Currently Carbon Revolution's Board comprises six non-executive directors, and one executive director. The Board, after conducting a review during FY20 has determined to reduce the size of the Board to five, which it feels is more appropriate for the current stage of the Company's development. As such, Bruce Griffiths will retire from the Board with effect from the close of the AGM on 6 November 2020 and Peter Lewinsky will retire from the Board in July 2021.

#### 2.1 Re-election of Lucia Cade

BEng (Civil) (Hons), BEc, MEngSc, MBA, FAICD, FIEAust

Joined the Board in 2018, and a member of the Remuneration and Nomination Committee.

Lucia is an experienced non-executive director with professional qualifications in engineering, economics and business. Board experience spans the private, listed and government sectors.

Lucia has previously held executive and advisory roles in infrastructure, utilities and professional services working in global technical services, listed companies, significant government organisations and private enterprises.

Specific areas of expertise and focus include:

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- Digitally enabled transformation to deliver better customer outcomes, more efficient operations and better allocation of capital for superior business performance
  - Business culture, behaviour and values and the lead indicators that deliver success
  - Innovation and technology driven performance improvement
  - Whole of life custodianship from supply, through operations to responsible disposal
  - Delivering outcomes through partners, suppliers and contractors including incentivised procurement models
  - Broad stakeholder engagement to inform the development of strategy and practice
  - Occupational health, safety and wellbeing of employees and contractors
  - Professional development of people to support them creating fulfilling careers

#### Current board roles

- Chair of South East Water and Director of its commercial subsidiary business, Iota Services (since 2015)
- Chair of Paintback (since 2019)
- Independent director of the Future Fuels Co-operative Research Centre and Chair of its Commercialisation Committee (since 2018)
- Director of Engineers Australia and Chair of its Audit and Risk Committee (since 2018)
- Director of the Regional Investment Corporation, member of its Audit Committee (since 2018)

#### Former board roles

- 2018-2019 PuriflOH Ltd (ASX:PO3) Non-Executive Director. Commercialising innovative technology for purification of air, water and medical facilities. Stepped down after company dual listed in USA and focused first revenue deals with US based OEMs of air and water purification equipment
- 2015 – 2019 Energy Pipelines Co-operative Research Centre Independent Director
- 2012 - 2015, Western Water Corporation Chair
- 2005 – 2010, Western Water Corporation Director and Chair Capital Works Committee, member of Audit Committee
- 2007 – 2014, Australian Water Association National President (2011-2013) and Director

Lucia is a Life Member of the Australian Water Association, 2018 Distinguished Alumnus, Faculty of Engineering, Monash University, 2019 Civil Engineer of the Year, Monash University, and Global Advisor to the United Nations Global Compact Cities Programme (since 2016)

The Board considers Lucia to be independent. Lucia makes a valuable contribution to the Board, bringing extensive experience and valuable insight, particularly in the areas of

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engineering, technology and innovation, and governance and culture. For these reasons, the Board unanimously recommends and supports the re-election of Lucia Cade as a director.

**Recommendation**

The Board (with Lucia Cade abstaining) recommends that shareholders vote **in favour** of Lucia Cade's re-election.

### 3 Remuneration Report

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Shareholders will have a reasonable opportunity at the meeting to ask questions about or make comments on the Remuneration Report. The Remuneration Report on pages 34 to 57 of the Company's 2020 Annual Report sets out the remuneration policies of the Company and reports on the remuneration arrangements in place for the Company's KMP during the year ended 30 June 2020.

As prescribed by the Corporations Act, the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote and discussion at the meeting into account in setting remuneration policy for future years.

A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

**Recommendation**

The Board recommends that shareholders vote **in favour** of the adoption of the Remuneration Report.

### 4 Non-Executive Director Fee Sacrifice Scheme

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The Company is seeking the approval of shareholders for the grant of rights to non-executive directors (**NED Rights**). This will allow the non-executive directors (**NEDs**) to salary sacrifice some or all of their Director's fees into share acquisition rights under the Non-Executive Director Fee Sacrifice Scheme (**NED Fee Sacrifice Scheme**) in FY21, FY22 and FY23.

The Company intends to implement the NED Fee Sacrifice Scheme to further align the interests of NEDs and shareholders generally, which is one of the Company's key remuneration principles, and as a cash management measure.

The NED Fee Sacrifice Scheme will allow NEDs to acquire rights to Carbon Revolution shares by electing to forego a portion (or all) of their pre-tax cash director fees. The Board has determined that for FY21, it is mandatory for all directors to participate in this scheme, to a minimum level of 20% of fees for the Participation Period (with the exception of Bruce Griffiths, who is retiring from the Board on 6 November 2020 prior to the grant of NED Rights).

As this is a salary sacrifice plan, the NED Rights will not be subject to performance conditions or service requirements which could result in potential forfeiture. This is also in line with best practice governance standards which recommend that non-executive directors generally should not receive equity with performance hurdles attached as it may lead to bias in their decision making and compromise their objectivity.

Consistent with the cash management objective of the NED Fee Sacrifice Scheme, the Company intends to issue new shares on exercise of the share acquisition rights granted in FY21. In future years, shares may be issued by the Company or purchased on market.

The Board approved this scheme, subject to shareholder approval, at the Board meeting on 20 August 2020.

### Summary of material terms of the scheme and the rights

<b>Participant Contribution</b>	NEDs may sacrifice, on a pre-tax basis, between 20% (a mandatory minimum) and up to 100% (in increments of 20%) of their fees.
<b>Number of Rights to be granted</b>	<p>The number of NED Rights granted will be determined by dividing the Participant Contribution by the <b>Allocation Price</b> (being the volume weighted average price (<b>VWAP</b>) of a Share over the 20 trading days following the announcement of the Company's full-year results).</p> <p>For NED Rights granted in FY21, the 20 day period commenced on 25 August and concluded on 21 September and the Allocation Price is \$2.0120.</p>
<b>What is a NED Right</b>	<p>A NED Right is an entitlement to receive one fully-paid ordinary share in the Company.</p> <p>NED Rights will be automatically exercised and convert to restricted shares at no cost to the director on the Conversion Date.</p> <p>NED Rights will not be subject to performance conditions or service requirements and are not subject to forfeiture.</p> <p>Directors do not have dividend or voting rights with respect to NED Rights until they are exercised. Following exercise, shares acquired by NEDs will rank equally (in relation to dividend and other rights) with other fully paid ordinary shares.</p> <p>Rights are not transferable and may not be dealt with (except with Board approval or by force of law upon death or bankruptcy).</p> <p>Directors are prohibited from entering into an arrangement under which they "hedge" or alter the economic benefit that they may derive in respect of the NED Rights.</p>
<b>Grant Date of Rights</b>	NED Rights will be granted within one week following the AGM in FY21, and in FY22 and FY23 following announcement of the full-year results for the previous financial year, and within three years of the November 2020 AGM.
<b>Conversion Date of Rights</b>	<p>For NED Rights granted in FY21, the Conversion Date will be on or around 26th February 2021 (following the release of the Company's FY21 half-year results).</p> <p>For future offers, the Conversion Date will be on or around early November each year (following the Company's Annual General Meeting)</p> <p>NED Rights will only convert to Shares if the director continues to hold office as a director of the Company on the Conversion Date.</p>
<b>Participation Period</b>	The period over which the fee sacrifice will occur. For the initial offer in FY21 – 1 October 2020 to 30 June 2021.

	For future offers – 12 month period commencing 1 July and ending 30 June of the relevant financial year.
<b>Restriction Period</b>	Shares allocated on exercise of NED Rights will be subject to a trading restriction from the Conversion Date and ending 15 years from the Grant Date for the NED Rights (or such shorter period elected by the director).  The minimum Restriction Period for all Shares allocated under the Scheme is one (1) year from the Conversion Date for the Rights
<b>Ceasing to hold office</b>	Where a participant ceases to hold office as a director of the Company before the Conversion Date, all their Rights will lapse at cessation and Shares will not be allocated. In this case, the participant will be paid, in cash (net of taxation and superannuation), the amount equal to the Fees that have already been sacrificed towards their Participant Contribution from the start of the Participation Period up until the date of cessation.  Where a participant ceases to hold office as director of the Company after the Conversion Date but before the end of the Restriction Period, any trading restrictions applicable to the shares will be lifted immediately and the participant will be free to sell or otherwise deal in those shares provided all of their corresponding Participation Contribution has been made (subject to complying with applicable law and the Securities Dealing Policy).
<b>Change of control</b>	If a Change of Control (as defined in the Plan Rules) occurs, the Board has ultimate discretion to determine the treatment that will apply to any NED Rights and / or Shares that are still subject to trading restrictions.  Generally, subject to the Board determining otherwise, NED Rights will convert to Shares and trading restrictions attached to Shares will cease on a Change of Control.

**Grant of**

### **NED Rights – FY21**

In accordance with the applications made by the non-executive directors for FY21, the Company seeks shareholder approval to grant the following NED Rights under the NED Fee Sacrifice Scheme:

<b>Director</b>	<b>Number of NED Rights</b>
James Douglas	28,226
Bruce Griffiths*	0
Lucia Cade	14,807
Dale McKee	14,910
Mark Bernhard	28,329
Peter Lewinsky	21,246
<b>Total</b>	<b>107,518</b>

\*Bruce Griffiths will cease to hold office on 6 November 2020, hence will not receive NED Rights under the rules of the Scheme.

### **Other information required by the ASX listing rules**

The Company provides the following additional information in respect of the potential grant of NED rights to NEDs under the NED Fee Sacrifice Scheme for FY2021, FY2022 and FY2023.

- (a) The NEDs fall under Listing Rule 10.14.1 because they are directors of the entity.

- (b) ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of securities to a Director under an employee incentive scheme.
- (c) The maximum number of securities that may be acquired by current and future NEDs in future periods cannot be precisely calculated at present as it depends on:
- the amount of remuneration the relevant NED elects to sacrifice to acquire NED Rights;
  - the volume weighted average price (**VWAP**) of a Share over the 20 trading days following the announcement of the Company's full-year results) at the commencement of the relevant year; and
  - the number of NEDs in office from time to time.

The number of NED Rights granted in future periods will be determined by dividing the Participant Contribution by the VWAP of a Share over the 20 trading days following the announcement of the Company's full-year results.

- (d) The total current remuneration package for FY21 of NEDs are the following Board and Committee fees (in each case inclusive of super):

Director	Board Chair	Board	Committee Chair	Committee
James Douglas	\$180,000			\$5,000
Bruce Griffiths		\$90,000	\$10,000	
Lucia Cade		\$90,000		\$5,000
Dale McKee		\$90,000	\$10,000	
Mark Bernhard		\$90,000		\$5,000
Peter Lewinsky		\$90,000		\$5,000

\*Following the AGM Bruce Griffiths will retire from the Board and Lucia Cade will be appointed Chair of the Remuneration and Nomination Committee, and James Douglas will become a member of the Remuneration and Nomination Committee

- (e) The total value attributed to the 107,518 NED Rights is \$216,326. This is equal to the value of fees sacrificed by the NEDs as part of the Scheme. The value uses the VWAP of a Share over the 20 trading days following the announcement of the Company's FY20 full-year results, namely \$2.0120. This value will change between the VWAP calculation period and the date of the grant.
- (f) The securities are effectively purchased by the NEDS (by way of fee sacrifice) at a price of \$2.0120, being the VWAP of a Share over the 20 trading days following the announcement of the Company's FY20 full-year results.
- (g) No securities have previously been issued to NEDs as this is a new Scheme.
- (h) Non-Executive Directors in office from time to time may participate in the NED Fee Sacrifice Scheme. Current NEDs are: James Douglas, Bruce Griffiths, Lucia Cade, Dale McKee, Mark Bernhard and Peter Lewinsky. Current and future Executive Directors, including the CEO, are not eligible to participate in the NED Fee Sacrifice Scheme.
- (i) The Company uses NED Rights because they create share price alignment between NEDs and shareholders, and are a cash management measure.
- (j) No loans will be made available in relation to the acquisition of NED Rights or shares under the NED Fee Sacrifice Scheme.

- 
- (k) If Item 4 is approved, it is anticipated that NEDs will be able to participate in the NED Fee Sacrifice Scheme from the time shareholder approval is granted. While it is intended that the Scheme will continue to operate, new securities will only be issued under the Scheme up until 6 November 2023, unless shareholder approval for the issue of securities under the Scheme is refreshed prior to that date.
  - (l) If Item 4 is not approved, NEDs will not have the opportunity to salary sacrifice a portion of their remuneration as share rights in FY21, FY22, and FY23.
  - (m) Details of any securities issued under the scheme will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14. Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

#### **Recommendation**

Each Non-Executive Director abstains from providing a recommendation in respect of the resolution due to their interest in the outcome of the resolution. The remaining Directors recommend that shareholders vote **in favour** of resolution 4.

## **5 Grant of Rights to Chief Executive Officer pursuant to FY20 STI Scheme**

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The Company is seeking the approval of shareholders for the grant of STI rights to the CEO in relation to his FY20 short term incentive (**STI**) award (**STI Rights**).

The Company's prospectus dated 8 November 2019 contained a summary of the STI awards intended to be granted by the Company to the CEO and other executives in respect of FY19 and future periods.

Shareholder approval is being sought because the Board has decided (at the Board meeting on 20 August 2020) to deliver the CEO's FY20 STI award entirely in equity (as opposed to 50% in cash and 50% in equity which was the intention disclosed in the Prospectus).

Providing shareholder approval is obtained, 50% of the CEO's STI award will be delivered in STI rights with a vesting period (and continuous service condition) of 12 months in accordance with the original STI Scheme disclosed in the Prospectus. The remaining 50% (which would have been delivered in cash) will also be delivered in STI rights which will immediately vest following grant.

#### **Summary of material terms of the scheme and the rights**

<b>Grant Date of Rights</b>	The STI Rights will be granted within one month of the AGM, or in any event within 12 months from the date of the AGM.
<b>What is an STI Right</b>	An STI Right is an entitlement to receive one fully-paid ordinary share in the Company.  STI Rights will be granted at no cost to the participant and no amount is payable on vesting. Participants do not have dividend or voting rights with respect to STI Rights until they are exercised.



	<p>Following vesting and exercise, shares acquired by participants will rank equally (in relation to dividend and other rights) with other fully paid ordinary shares.</p> <p>STI Rights are not transferable and may not be dealt with (except with Board approval or by force of law upon death or bankruptcy).</p> <p>Participants are prohibited from entering into an arrangement under which they “hedge” or alter the economic benefit that they may derive in respect of the STI Rights.</p>
<b>Vesting of Rights</b>	50% of STI Rights will immediately vest following grant. The remaining 50% of STI Rights will vest 12 months following the Grant Date, subject to continued employment with the Company.
<b>Allocation Date of Shares</b>	Shares to be allocated as soon as practicable following exercise of vested Rights.
<b>Performance Conditions</b>	<p>There are no performance conditions in relation to the STI Rights as the number of rights granted has been determined by the Board based on achievement of financial and non-financial targets for FY20, as detailed in the Remuneration Report.</p> <p>There is a continuous service condition of 12 months in relation to 50% of the STI Rights.</p>
<b>Exercise of Rights</b>	<p>Vested STI Rights may be exercised by the participant within the exercise period.</p> <p>The exercise period is the period commencing when STI Rights vest (at the Grant Date for 50% of STI Rights and 12 months following the Grant Date grant for the remaining 50% of STI Rights, subject to continued employment) and ending on the Expiry Date.</p> <p>The Expiry Date is the 10 year anniversary of the Grant Date.</p> <p>There will be nominated exercise windows during the year which sit within trading windows in accordance with the Securities Dealing Policy.</p>
<b>Number of STI Rights</b>	<p>The number of STI Rights to be granted to Mr Dingle has been calculated as follows.</p> <p>Mr Dingle’s fixed annual remuneration is \$500,000 (FAR) inclusive of superannuation and his maximum STI opportunity is 60% of FAR.</p> <p>The STI payout ratio determined by the Board for FY20 was 45%, as detailed in the Remuneration Report.</p> <p>The <b>Allocation Price</b> to be used is the volume weighted average price (<b>VWAP</b>) of a Share over the 20 trading days following the announcement of the Company’s FY20 full-year results).</p> <p>The 20 day period commenced on 25 August and concluded on 21 September and the Allocation Price is \$2.0120.</p> <p>Therefore, the number of STI Rights proposed to be granted to the CEO is:</p> $(500,000 \times 60\% \times 45\%) / 2.0120 = 67,097$
<b>Cessation of Employment</b>	<p>Subject to the Board’s discretion, if the participant ceases employment prior to STI Rights vesting by reason of termination for cause or by resignation, all unvested Rights will automatically lapse.</p> <p>If Rights do not lapse upon cessation, unvested Rights will generally continue “on-foot” to vest in the ordinary course. Vested Rights must then be exercised within ninety (90) days of vesting (or the Rights will lapse).</p>

<b>Clawback</b>	Under the Scheme, the Board has broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
<b>Change of control</b>	Subject to the Board's discretion to determine otherwise, all STI Rights will vest (if applicable) and automatically convert to Shares on a change of control (as defined in the Plan Rules).

#### Additional information required by the ASX listing rules

- (a) Mr Dingle falls under Listing Rule 10.14.1 because he is a director of the entity.
- (b) ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of securities to a Director under an employee incentive scheme.
- (c) Mr Dingle is the only director entitled to receive STI Rights.
- (d) Details of Mr Dingle's remuneration for FY21 is as follows:

Fixed Annual remuneration (including superannuation) (FAR)	\$500,000 (inclusive of superannuation), split with effect from 12 October 2020 to 20 June 2021 (subject to shareholder approval) as follows: <ul style="list-style-type: none"> <li>- applicable superannuation</li> <li>- 80% of the applicable FAR (net of superannuation) via cash salary</li> <li>- 20% of the applicable FAR via FY21 Rights (Salary Purchase) (see section 6 below)</li> </ul>
Short term incentive	60% of FAR at maximum 30% of FAR at target
Long term incentive	75% of FAR at maximum

- (e) The total value attributed to the 67,097 securities is \$135,000. This is the value of Mr Dingle's STI award for FY20 as determined by the Board. The value uses the VWAP of a Share over the 20 trading days following the announcement of the Company's FY20 full-year results, namely \$2.0120. This value will change between the VWAP calculation period and the date of the grant.
- (f) Carbon Revolution uses STI rights because they enhance the alignment between employees and other shareholders, which is a key principle of Carbon Revolution's remuneration framework. Further the proposed expanded use of STI rights in FY21 is a cash management measure.
- (g) Mr Dingle has not previously received STI Rights under the Scheme.
- (h) If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Dingle.
- (i) There is no loan in relation to the STI Rights or shares under the STI Scheme.
- (j) Details of any STI Rights issued under the STI Scheme will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become

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entitled to participate in an issue of securities under the STI Scheme after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.

### Recommendation

The non-executive Directors consider the grant of STI Rights to Mr Dingle to be reasonable and appropriate in all the circumstances. The non-executive Directors recommend that shareholders vote **in favour** of resolution 5.

## 6 Grant of Rights to Chief Executive Officer pursuant to Rights (Salary Purchase) Scheme

---

The Company is seeking the approval of shareholders for the grant of rights to the CEO under the Rights (Salary Purchase) Scheme.

The Board proposes to implement the Rights (Salary Purchase) Scheme to further align the interests of employees with other shareholders by facilitating the acquisition of shares by employees and as a cash management measure. Participation in the Rights (Salary Purchase) Scheme is mandatory for the CEO and other executives, and voluntary for all other employees. The Scheme will operate in FY21, and the Board may wish to continue its operation in FY22 and FY23. Accordingly, approval is being sought for the CEO's participation in FY21, FY22 and F23.

Under the Rights (Salary Purchase) Scheme, participants will receive a proportion of their existing salary or wages in the form of rights. The participant elects the amount of their pre-tax salary or wages which they wish to receive in rights (**Purchased Rights**), subject to the minimum and maximum amounts set out in the Rights (Salary Purchase) Scheme (**Participant Contribution Amount**). The participant's pre-tax salary is reduced by the Participant Contribution Amount, in equal instalments throughout the Participation Period (as defined below) while the equivalent value of Purchased Rights vests at the end of each month.

A key feature of the Rights (Salary Purchase) Scheme is that the Company will grant additional rights to the participant (**Matching Rights**) at no cost to the participant. The value of the Matched Rights will be equal to 50% of the Participant Contribution (up to a maximum Participant Contribution of \$5,000). The maximum value of Matched Rights that can be granted to a participant is \$2,500 in respect of a financial year.

The Board approved this scheme, subject to shareholder approval in relation to the CEO, at the Board meeting on 20 August 2020.

### Summary of material terms of the scheme and the rights

<b>Participation Period</b>	For FY21, the Participation Period is 12 October 2020 to 20 June 2021 (this is set around payroll dates). For FY22 and FY23, the Participation Period will align with the relevant financial year.
<b>Participant Contribution</b>	The amount of pre-tax salary or wages which the participant elects to receive in rights instead of cash (net of taxation and superannuation). In FY21, executives including the CEO have a minimum participation level of \$20,000 and a maximum participation level of 50% of pre-tax salary. Participation for executives is mandatory, but the minimum amount can be varied at the discretion

	of the Chair (in the case of the CEO's participation). The minimum and maximum participation levels may change in future years.
<b>Company Matching Offer</b>	<p>Upon satisfying the minimum Participant Contribution, the Company will grant additional rights at no cost to the participant (Matched Rights).</p> <p>The value of Matched Rights will be equal to 50% of the Participant Contribution (up to a maximum Participant Contribution of \$5,000). The maximum value of Matched Rights that can be granted to a participant is \$2,500.</p>
<b>Grant Date of Rights</b>	The FY21 Rights will be granted to the CEO within one week following the AGM in November 2020. Any rights granted in FY22 or FY23 will be granted within three years of the November 2020 AGM.
<b>What is a Right</b>	<p>A Right is an entitlement to receive one fully-paid ordinary share in the Company.</p> <p>Matched Rights will be granted at no cost to the participant. No amount is payable on vesting of Purchased Rights or Matched Rights. Participants do not have dividend or voting rights with respect to Rights until they are exercised.</p> <p>Following vesting and exercise, shares acquired by participants will rank equally (in relation to dividend and other rights) with other fully paid ordinary shares.</p> <p>FY21 Rights are not transferable and may not be dealt with (except with Board approval or by force of law upon death or bankruptcy).</p> <p>Participants are prohibited from entering into any arrangement under which they "hedge" or alter the economic benefit that they may derive in respect of the FY21 Rights.</p>
<b>Vesting of Rights</b>	<p>Subject to continued employment with the Company, FY21 Rights will vest on the vesting dates:</p> <ul style="list-style-type: none"> <li>• Purchased Rights: on a pro-rata basis over the Participation Period in equal monthly instalments on the last day of each month (such that Purchased Rights are fully vested by 30 June in the relevant financial year)</li> <li>• Matched Rights: in full on 30 June of the relevant financial year, subject to meeting the minimum Participant Contribution and continued employment</li> </ul>
<b>Performance Conditions</b>	<p>There are no performance conditions in relation to the Purchased Rights.</p> <p>There is a continuous service condition in relation to the Matched Rights.</p>
<b>Exercise of Rights</b>	<p>Vested Rights may be exercised by the participant within the exercise period.</p> <p>The exercise period is the period commencing when the Rights vest and ending on the Expiry Date.</p> <p>The Expiry Date is the 10 year anniversary of the Grant Date.</p> <p>There will be nominated exercise windows during the year which sit within trading windows in accordance with the Securities Dealing Policy.</p>
<b>Allocation Date of Shares</b>	Shares to be allocated as soon as practicable following exercise of vested Rights.
<b>Number of Rights</b>	<p>The number of FY21 Rights to be granted is calculated as follows:</p> <ul style="list-style-type: none"> <li>• Purchased Rights = Participant Contribution / Allocation Price; plus</li> <li>• Matched Rights</li> </ul> <p>The value of Matched Rights will be equal to 50% of the Participant Contribution (up to a maximum Participant Contribution of \$5,000).</p>

	<p>For the CEO, as the mandatory minimum Participant Contribution is \$20,000, the value of Matched Rights will be \$2,500</p> <p>Therefore number of Matched Rights = 2,500 / Allocation Price</p> <p>The <b>Allocation Price</b> to be used is the volume weighted average price (<b>VWAP</b>) of a Share over the 20 trading days following the announcement of the Company's full-year results).</p> <p>The 20 day period for FY21 commenced on 25 August and concluded on 21 September and the Allocation Price is \$2.0120.</p> <p>Mr Dingle has elected a Participant Contribution of 20% of pre-tax salary. Across the 36 weeks of the participation period, this equates to \$69,231.</p> <p>Therefore, the number of Rights proposed to be granted to the CEO in FY21 is:  <math>(69,231 + 2,500) / 2.0120 = 35,650</math></p> <p>Mr Dingle's pre-tax salary during the Participation Period in FY21 will reduce by \$69,231.</p>
<b>Cessation of Employment</b>	<p>Subject to the Board's discretion, if a participant ceases employment for any reason prior to Rights vesting, the Rights will lapse on the date of their cessation. In this case, the participant will be paid the amount equal to the base remuneration that has been contributed towards their Participant Contribution (but has not yet vested) from the start of the relevant Participation Period up until the date of cessation.</p> <p>If a participant ceases employment prior to exercising vested Rights, the vested Rights must be exercised within ninety (90) days following the date employment ceased. Any vested Rights which are not exercised by the end of this period will lapse with the relevant PAYG tax withholding withheld from the payment immediately.</p> <p>Entitlement to Matched Rights will be forfeited if the participant ceases employment prior to 30 June in the relevant financial year.</p>
<b>Changes</b>	<p>Executives may only withdraw from the Scheme or vary participation in the Scheme with Board approval.</p> <p>If a participant withdraws from the Scheme, their unvested Rights will lapse and the relevant portion of their Participant Contribution (if any) will be refunded.</p>
<b>Clawback</b>	<p>Under the Scheme, the Board has broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.</p>
<b>Change of control</b>	<p>Subject to the Board's discretion to determine otherwise, all unvested FY21 Rights will vest and become exercisable on a change of control (as defined in the Plan Rules).</p>

#### Other information required by the ASX listing rules

The Company provides the following additional information in respect of the potential grant of rights to the CEO under the Rights (Salary Purchase) Scheme for FY2021, FY2022 and FY2023.

- (a) Mr Dingle falls under Listing Rule 10.14.1 because he is a director of the entity.
- (b) ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of securities to a Director under an employee incentive scheme.

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- (c) Mr Dingle is the only director entitled to receive Rights under the Rights (Salary Purchase) Scheme.
- (d) The maximum number of securities that may be acquired by the CEO in future periods cannot be precisely calculated at present as it depends on:
- the amount of remuneration the CEO elects to Purchase to acquire Rights; and
  - the volume weighted average price (**VWAP**) of a Share over the 20 trading days following the announcement of the Company's full-year results) at the commencement of the relevant year .

The number of securities to be granted would be calculated as follows:

- Purchased Rights = Participant Contribution / allocation price; plus
- Matched Rights

The value of Matched Rights will be equal to 50% of the Participant Contribution (up to a maximum Participant Contribution of \$5,000).

- (e) The total value attributed to the 35,650 securities is \$69,231. This is calculated by reference to the 34,408 rights to be effectively purchased by Mr Dingle by way of a variation of his employment agreement to reduce cash payable (plus 1,242 Matching Rights provided by the Company at no further cost to Mr Dingle). The value uses the VWAP of a Share over the 20 trading days following the announcement of the Company's FY20 full-year results, namely \$2.0120. This value will change between the VWAP calculation period and the date of the grant.
- (f) The CEO's current remuneration package is disclosed in the notes to resolution 5 above.
- (g) No securities have previously been issued to the CEO as this is a new Scheme.
- (h) The Company uses Rights because they create alignment between the CEO and shareholders, and as a cash management measure.
- (i) No loans will be made available in relation to the acquisition of Rights or shares under the Rights (Salary Purchase) Scheme.
- (j) If Item 6 is approved, it is anticipated that the CEO will be able to participate in the Rights (Salary Purchase) Scheme from the time shareholder approval is granted. While it is intended that the Scheme may continue to operate in FY22 and FY23, new securities will only be issued under the Scheme up until 6 November 2023, unless shareholder approval for the issue of securities under the Scheme is refreshed prior to that date.
- (k) If Item 6 is not approved, the CEO will not have the opportunity to purchase rights using a portion of his remuneration under the Scheme in FY21, FY22, and FY23.
- (l) Details of any securities issued under the scheme will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14. Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

## **Recommendation**

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The non-executive Directors consider the grant of Rights to Mr Dingle under the Rights (Salary Purchase) Scheme to be reasonable and appropriate in all the circumstances. The non-executive Directors recommend that shareholders vote **in favour** of resolution 6.

## 7 Ratification of issue of the Placement Shares

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On 18 March 2020, the Company announced it had raised \$25 million through a non-underwritten institutional placement (**Placement**). On 23 March 2020, the Company issued 16,666,667 fully paid ordinary shares in the Company at a price of \$1.50 per share (**Placement Shares**).

The proceeds from the Placement were, and are still being, used by the Company to deal with the impacts of the COVID-19 virus outbreak on the Company's business. The proceeds allowed the company to increase its raw materials in order to insulate against global supply chain issues, fund operating expenditure due to changes in demand from vehicle manufacturers and strengthen the business cash reserves due to the risk in the event of a forced and prolonged shutdown.

The Company issued the Placement Shares without prior shareholder approval pursuant to its 15% annual placement capacity under Listing Rule 7.1.

Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue during any 12 month period any equity securities, if the number of those securities exceeds 15% of the total number of equity securities on issue at the commencement of that 12 month period (**Placement Capacity**). An issue of equity securities, which has been approved by shareholders under Listing Rule 7.1, does not count toward a company's Placement Capacity.

Listing Rule 7.4 provides that an issue under Listing Rule 7.1 is treated as having been made with shareholder approval if the issue did not breach Listing Rule 7.1 and shareholders of the company subsequently approve it.

The Company now seeks shareholder approval under Listing Rule 7.4 to ratify the issue of the Placement Shares, in order to reinstate the Company's Placement Capacity.

If the resolution is passed, the Placement Shares will not count towards the Company's Placement Capacity, effectively increasing the number of equity securities it can issue without shareholder approval, which will provide the Company flexibility to issue equity securities in the future without obtaining shareholder approval, as required.

If the resolution is not passed, the Placement Shares will count towards the Company's Placement Capacity, effectively decreasing the number of equity securities it can issue without shareholder approval, which will impact on the Company's flexibility for future capital raisings.

### **Additional information required by the ASX listing rules**

- (a) The allottees of the Placement Shares were existing and new sophisticated and institutional investors. The Company and its joint lead managers approached existing sophisticated and wholesale investors on the register, as well as clients of the joint lead managers, to participate in the Placement. The Placement was allocated on a preferred basis to existing shareholders and then wholesale investors introduced by the Joint Lead Managers. The allocation was done on a best efforts basis to allocate pro rata to existing holders.

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- (b) The following investors were issued more than 1% of the Company's issued capital (based on the issued capital of the Company prior to the issue of shares under the Placement) and was or became a substantial holder (or an associate thereof) of the Company following completion of the Placement:
- Greencape Capital Pty Ltd – acquired 5,000,000 shares in the placement (3.9% of issued capital immediately prior to the issue of shares under the Placement)
- (c) 16,666,667 fully paid ordinary shares in the Company were issued under the Placement.
- (d) The Placement Shares were issued on 23 March 2020 at \$1.50 per share.
- (e) The purpose of the issue, including the use and intended use of funds, is set out above.

**Recommendation**

The Board recommends that shareholders vote **in favour** of the ratification of the issue of Placement Shares.

## 8 Appointment of auditor

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Deloitte Touche Tohmatsu was appointed as the auditor of the Company by the Board.

Section 327B(1)(a) of the Corporations Act requires a public company to appoint an auditor at its first Annual General Meeting. Accordingly, the Company is seeking shareholder approval of the appointment of Deloitte Touche Tohmatsu as the Company's auditor.

Deloitte Touche Tohmatsu has been duly nominated for appointment as the Company's auditor by a shareholder of the Company, as required by section 328B of the Corporations Act. A copy of the shareholder's written notice of nomination is set out in Appendix A.

**Recommendation**

The Board recommends that shareholders vote **in favour** of the appointment of Deloitte Touche Tohmatsu as auditor of the Company.



## Nomination for appointment of Deloitte Touche Tohmatsu as auditor of the Company

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Carbon Revolution Limited  
Building NR  
Geelong Technology Precinct  
75 Pigdons Road  
Waurm Ponds, 3216  
Victoria

31 August 2020

### Notice of Nomination of Auditor

In accordance with section 328B(1) of the Corporations Act 2001 (Cth), I, **Kim Trémoulet**, being a shareholder of Carbon Revolution Limited (the "Company"), hereby nominate Deloitte Touche Tohmatsu for appointment as auditor of the Company.

Yours sincerely

A handwritten signature in blue ink that reads "Kim Trémoulet". The signature is stylized with a large initial "K" and a flourish at the end.

**Kim Trémoulet**



Carbon Revolution Limited

ABN 96 128 274 653

LODGE YOUR VOTE

ONLINE www.linkmarketservices.com.au

BY MAIL Carbon Revolution 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: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Carbon Revolution Limited (Company) 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 and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

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 Annual General Meeting of the Company to be held at 10:00am (AEDT) on Friday, 6 November 2020 (the Meeting) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at https://agmlive.link/CBR20 (refer to details in the Notice of Meeting).

Important for Resolutions 3, 4, 5 & 6: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3, 4, 5 & 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote available 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 X

Table with 3 columns: Resolutions, For, Against, Abstain\* and 3 columns: For, Against, Abstain\*. Rows include Re-election of Director - Lucia Cade, Remuneration Report, Non-Executive Director Fee Sacrifice Scheme, Grant of Rights to Chief Executive Officer pursuant to FY20 STI Scheme, Grant of Rights to Chief Executive Officer pursuant to FY21 Rights (Salary Purchase) Scheme, Ratification of issue of the Placement Shares, Appointment of auditor.

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf 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).

CBR PRX2001N



## 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 and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company. If you leave this section blank, or if your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution.

### DEFAULT TO CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of a member of the Company's KMP.

### 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:

- (a) 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
- (b) 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 virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au) prior to the meeting in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://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 **10:00am (AEDT) on Wednesday, 4 November 2020**, 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:



#### ONLINE

[www.linkmarketservices.com.au](http://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 MAIL

Carbon Revolution 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)