

## **TERMS OF REFERENCE OF THE NOMINATION COMMITTEE AND CORPORATE GOVERNANCE COMMITTEE**

### **FIRST GRAPHENE LIMITED (Company)**

#### **CONSTITUTION**

- 1 The Board of the Company (the "**Board**") hereby resolves to establish a committee of the Board to be known as the nomination and corporate governance committee (the "**Committee**").

#### **MEMBERSHIP**

- 2 The Committee shall be appointed by the Board and shall comprise at least two non-executive directors of the Company (two of which should be independent non-executive directors). The Board shall appoint the chairman of the Committee who should be either the chairman of the Company or an independent non-executive director. The chairman of the Company shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 3
- 4 A quorum for a meeting shall be any two independent non-executive director members of the Committee. The members of the Committee can be varied at any time by a majority resolution of the existing members of the Committee save that the majority of the Committee must remain independent and non-executive directors.
- 5 The secretary of the Committee shall be the Company secretary or such other person as the Committee shall appoint.

#### **ATTENDANCE AT MEETINGS**

- 6 Only members of the Committee have the right to attend Committee meetings. Other individuals may be invited to attend all or part of any meetings as and when appropriate, but such persons have no right of attendance.

#### **MINUTES OF MEETING**

- 7 Minutes of each meeting of the Committee shall be produced. The Committee may, in addition, at any time request a full meeting of the Board at which its conclusions shall be reported.
- 8 Finalised minutes of the meeting of the Committee will be circulated to the members of the Board as a formal record of the decisions of the Committee on behalf of the Board.

#### **FREQUENCY**

- 9 The Committee will meet at least once a year. The Committee may meet at other times during the year as agreed between the members of the Committee. Any member of the Committee may at any time convene a meeting of the Committee by notice in writing to the secretary of the Committee who will then notify the other members of the Committee.

## **NOTICE OF MEETINGS**

- 10** Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members.
- 11** Unless otherwise agreed by the secretary of the Committee, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded by the secretary of the Committee to each member of the Committee and any other person required to attend no later than two working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee (as appropriate) at the same time.

## **AUTHORITY**

- 12** The Committee is authorised by the Board to examine and undertake any activity within its terms of reference and is authorised to have unrestricted access to the Company's external auditors and to obtain, at the Company's expense, professional advice on any matter within its terms of reference, including from the Company's Nominated Adviser. The Committee is authorised to seek any information it requires from any director, employee or professional adviser of the Company or any subsidiary of the Company and any such employees or directors will be directed to co-operate with any request made by the Committee (including to attend meetings of the Committee if required).

## **VOTING ARRANGEMENTS**

- 13** Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 14** If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal, financial or other interest or a potential conflict of interest, that member shall not be permitted to vote at the meeting.
- 15** Save where he has a personal interest, the chairman will have a casting vote. In the absence of a chairman or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

## **DUTIES AND TERMS OF REFERENCE**

- 16** The Committee shall:
  - (a) monitor compliance by the Company with the Company's corporate governance policies as required by ASX and AIM (the "**Policies**");
  - (b) make recommendations to the Board as to any:
    - (i) disclosures that may be required to be made to the extent that the Company does not comply with the ASX Corporate Governance Principles and Recommendations and UK Corporate Governance Code; and

- (ii) improvements that may be made to the Policies;
  - (c) regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
  - (d) give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
  - (e) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
  - (f) before appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
    - (i) use open advertising or the services of external advisers to facilitate the search;
    - (ii) consider candidates from a wide range of backgrounds; and
    - (iii) consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position;
  - (g) keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
  - (h) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
  - (i) review periodically the Board, its Committees, individual Directors and senior executives including the time required from non-executive directors. Performance evaluations should be conducted in line with the Company's *Process for Performance Evaluation* and used to assess whether the non-executive directors are spending enough time to fulfil their duties; and
  - (j) ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.
- 17** The Committee shall seek advice from the Company's Nominated Adviser at the earliest opportunity about any proposed changes to the Board and succession planning.
- 18** The Committee shall also make recommendations to the Board concerning:

- (a) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;
- (b) suitable candidates for the role of senior independent director;
- (c) membership of the audit and remuneration committees, in consultation with the Chairmen of those committees;
- (d) the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- (e) the re-election by shareholders of any director under the 'retirement by rotation' provisions in the Company's Constitution having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- (f) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and
- (g) the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full Board.

**19** To consider such other matters as may be requested by the Board.

#### **GENERAL MATTERS**

- 20** Finalised minutes of the meetings of the Committee will be circulated to the members of the Board as part of the Board papers for each full meeting of the Board.
- 21** The chairman of the Company should make himself available at each Annual General Meeting of the Company to answer questions concerning the Committee's work during the preceding year.
- 22** The recommendations of the Committee minutes must be approved by the Board before they can be implemented.
- 23** The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 24** The Committee shall make its terms of reference available for inspection at the registered office of the Company.
- 25** Any of the terms set out in this document may be varied by a majority resolution of the Board.