

Policy on Assessing the Independence of Directors

First Graphene Limited (Company)

An independent director is a non-executive director who is not a member of management and who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

It is the Board's policy that in determining a director's independence, the Board considers the relationships which may affect independence as set out in Box 2.3 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* as follows:

Examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
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- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity;
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- is, or has been within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
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- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
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- has close personal ties with any person who falls within any of the categories described above; or
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- has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to

bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

For the purposes of determining materiality, the Company discloses its Materiality Thresholds in its Board Charter.