



Carbon Revolution Limited
ABN 96 128 274 653

All Registry communications to:
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ASX Code: CBR

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Dear Shareholder

On behalf of the Board of Directors, I am pleased to provide you details about the 2022 Annual General Meeting (AGM) of Carbon Revolution Limited, to be held on Wednesday, 16 November 2022 commencing at 11:00am (AEDT), at Room 1.417, Building NA, Geelong Technology Precinct, Deakin University Campus Waurin Ponds, 75 Pigdons Road, Vic 3216.

The meeting will be a physical meeting, but will be accompanied by a live audio webcast. If shareholders cannot attend the AGM in person, they can participate by appointing a proxy, submitting questions in advance of the meeting, and listening to the webcast. Shareholders will not be able to vote or ask questions via the webcast.

You will find details of the meeting in the enclosed Notice of Meeting (together with details for registering for the webcast). The Notice of Meeting also includes information about how to vote, ask questions, and otherwise participate in the AGM. The Chair's and CEO's speeches will be uploaded via ASX and to Carbon Revolution's website at <https://investors.carbonrev.com/Investor-Centre/>.

Also included with this Notice of Meeting are explanatory notes and a proxy form. I encourage you to read the explanatory notes so you have a full understanding of the resolutions being put forward at the AGM. Shareholders are welcome to also submit questions in advance. You will find a form for this purpose in your AGM materials.

The Company will not be dispatching physical copies of the meeting documents and notices, including the Notice of Meeting for the AGM, unless you request a physical copy to be posted to you.

The Notice of Meeting, accompanying explanatory notes and Annual Report (Meeting Materials) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website <https://investors.carbonrev.com/Investor-Centre/>.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting materials and the voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at www.linkmarketservices.com.au. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry LINK on www.linkmarketservices.com.au or by phone on 1300 554 474 (within Australia) or on +61 1300 554 474 (Outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday, to obtain a copy.

The Company strongly recommends that Shareholders lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'D. Nock', written in a cursive style.

By Order of the Board

David Nock
Company Secretary
Carbon Revolution Limited



2022 Annual General Meeting Notice

Carbon Revolution Limited

ABN: 96 128 274 653

Important notes regarding participation in the meeting

The 2022 Annual General Meeting of Carbon Revolution Limited (**Company**) is to be held at 11:00 am (AEDT) on Wednesday, 16 November 2022 at Room 1.417, Building NA, Geelong Technology Precinct, Deakin University Campus Waurin Ponds, 75 Pigdons Road, Vic 3216.

If shareholders cannot attend the Annual General Meeting in person, they can participate by appointing a proxy, listening to the live audio webcast and submitting questions in advance of the meeting. Shareholders will not be able to vote or ask questions via the webcast.

Details for registration and access to the webcast are below:

https://carbonrev.zoom.us/webinar/register/WN_pjzWFqDSTI23ssiVqE29QQ

Registered participants will receive a calendar invite and meeting link (and dial in number if required) which is to be used when connecting.

Even if you plan to attend the Annual General Meeting in person, 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.

Shareholders may appoint their proxy by lodging their proxy online at www.linkmarketservices.com.au by 11:00 am (AEDT) on Monday, 14 November 2022. Further information about proxy and the proxy form, can be found in sections 4 and 5 of the notes relating to voting.

Shareholders may also submit questions in advance of the meeting at www.linkmarketservices.com.au by no later than 5:00 pm (AEDT) on Wednesday, 9 November 2022.

Shareholders should monitor the Company's website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the meeting.

2022 Annual General Meeting Notice

Notice of Annual General Meeting

Notice is given that the 2022 Annual General Meeting of Carbon Revolution Limited (**Carbon Revolution** or the **Company**) will be held as a physical meeting at Room 1.417, Building NA, Geelong Technology Precinct, Deakin University Campus Waurin Ponds, 75 Pigdons Road, Vic 3216 on Wednesday, 16 November 2022 at 11:00 am (AEDT). Registration will commence at 10:30 am (AEDT).

Items of business

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 2022.

2 Re-election of Director

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

"That James Douglas, 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 2022 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 3 of the notes relating to voting).

4 Grant of Rights to Chief Executive Officer pursuant to FY22 STI Plan

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

"That approval is given for the purposes of Listing Rule 10.14 and for all other purposes for the issue of STI Rights to the Managing Director and Chief Executive Officer (Jake Dingle) under the FY22 STI Plan, 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 3 of the notes relating to voting).

5 Grant of Rights to Chief Executive Officer pursuant to FY23 LTI Plan

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

"That approval is given for the purposes of Listing Rule 10.14 and for all other purposes for the issue of LTI Rights to the Managing Director and Chief Executive Officer (Jake Dingle) under the FY23 LTI Plan, 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 3 of the notes relating to voting).

2022 Annual General Meeting Notice

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
14 October 2022

Notes relating to voting

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 Monday 14, November 2022 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

Shareholders or representatives who are attending the meeting are asked to arrive at least 15 minutes prior to the start of the Annual General Meeting for registration. Please ensure you have your Shareholder Reference Number (SRN) / Holder Identification Number (HIN) (or proxy number provided to you by Link Market Services Limited) for ease of registration. If sending hard copy proxy: please bring a copy of your hard copy proxy form to assist with registration.

If you are unable to locate your SRN/HIN in advance of the meeting, please contact Link Market Services on 1300 554 474 or registrars@linkmarketservices.com.au well in advance of the meeting. For security reasons, your SRN/HIN can only be sent by post to your registered address. Shareholders who need a copy of their SRN/HIN are strongly encouraged to contact Link Market Services as soon as possible to avoid any delivery delays.

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Paid public parking is available within the Geelong Technology Precinct at the Deakin University Waurn Ponds campus at Car Park 11. Both Car Park 11 and Building NA are marked on Google Maps, available online, and visitors should follow onsite signage.

3 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 2022 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.

Resolutions 4 and 5

The Company will disregard any votes on resolutions 4 and 5:

- cast in favour of the resolution by or on behalf of the Managing Director and Chief Executive Officer, Jake Dingle (being the only Director entitled to participate in the FY22 STI Plan and FY23 LTI Plan) 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 the resolution/s:

- 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.

4 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
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2022 Annual General Meeting Notice

returning a signed proxy form (see section 5 of these notes relating to voting, and the 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, and 5 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, and 5.
- (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, and 5 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, and 5 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.

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5 Proxy form

If you would like to appoint a proxy, the proxy form must be lodged no later than 10:00 am (AEDT) on Monday, 14 November 2022 in one of the following ways:

Online	www.linkmarketservices.com.au
Mail	Link Market Services Carbon Revolution Limited C/- Link Market Services Limited, Locked Bag A14 Sydney South NSW 1235, Australia
Facsimile	(within Australia) 02 9287 0309 (outside Australia) +61 2 9287 0309

6 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.

7 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.

8 Questions for the Company

Shareholders may submit written questions to the Company before the meeting at <https://investorcentre.linkgroup.com/Login> by no later than 5:00 pm (AEDT) on Wednesday, 9 November 2022. 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.

9 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 2022 or the conduct of its audit of the annual financial report for the year ended 30 June 2022.

Written questions must be received by the Company by no later than 5:00 pm (AEDT) on Wednesday, 9 November 2022. Please send any written questions to:

Company Secretary
Carbon Revolution Limited
Email: investors@carbonrev.com

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The Company will inform shareholders attending the meeting of the list of questions directed to the auditor that were received in writing and are questions relevant to the auditor's report or the conduct of the audit of the financial report for the year ended 30 June 2022. If written answers are tabled at the meeting, they will be lodged with the ASX as soon as practicable after the meeting. The auditor is not required to provide individual responses to shareholders.

Explanatory Memorandum

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

1 Financial Report

The Corporations Act requires the annual financial report of the Company for the year ended 30 June 2022 (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 www.carbonrev.com.

2 Re-election of Directors

In accordance with Rule 8.1(d), James Douglas retires by rotation and being eligible, offers himself for re-election.

James Douglas is an Independent, Non-Executive Director, and is the Chair of the Board and a member of the Audit and Risk Committee and the Remuneration and Nomination Committee. James joined the Board of Carbon Revolution Limited on 25th November, 2011.

James has more than 20 years of senior investment banking and growth company focused venture capital experience in Australia and the United States. He brings broad capability in development and commercialisation of technology and capital markets and capital management particularly for emerging growth companies. He also has significant experience in leadership roles both within organisations and on boards.

James is a partner in Co:Act Capital, a venture capital fund focused on helping emerging Australian technology companies grow and scale. He is also a non-executive director of Export Finance Australia.

Prior to joining Carbon Revolution James was co-head of Global Banking at Citi in Australia and global head of consumer & retail investment banking for Merrill Lynch in New York. Before becoming Chair of the Company he briefly held the role of CFO.

James has had significant other board experience on a number of emerging Australian technology companies including Marketplacer, Flare and mx51.

James holds a Science Degree and a Law Degree from the University of Melbourne and is a Graduate of the Australian Institute of Company Directors.

James brings a range of skills to the Board of Carbon Revolution including capital markets, strategy, and customer engagement as well as a strong history with the founders of the business. As such, James' contributions are invaluable and enhance the effectiveness of the

Explanatory Memorandum

Board. For these reasons, the Directors unanimously support the re-election of James as a director.

Recommendation

The Board (with James Douglas abstaining) recommends that shareholders vote **in favour** of this resolution.

3 Remuneration Report

Shareholders will have a reasonable opportunity at the meeting to ask questions about or make comments on the Remuneration Report. The Remuneration Report at page 28 of the Company's 2022 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 2022.

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.

Recommendation

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

4 Grant of Rights to Managing Director and Chief Executive Officer pursuant to FY22 STI Plan

The Company is seeking the approval of shareholders for the grant of STI rights to the Managing Director and Chief Executive Officer (Jake Dingle) in relation to his FY22 short term incentive (**STI**) award (**STI Rights**).

Summary of material terms of the STI Rights Plan

Grant Date of Rights	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.
What is an STI Right	<p>An STI Right is an entitlement to receive one fully-paid ordinary share in the Company.</p> <p>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> <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>

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	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.
Vesting of Rights	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.
Allocation Date of Shares	Shares will be allocated as soon as practicable following exercise of vested Rights.
Performance Conditions	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 FY22, as detailed in the Remuneration Report. There is a continuous service condition of 12 months in relation to 50% of the STI Rights.
Exercise of Rights	Vested STI Rights may be exercised by the participant within the exercise period. 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. The Expiry Date is the 10-year anniversary of the Grant Date. There will be nominated exercise windows during the year which sit within trading windows in accordance with the Securities Dealing Policy.
Number of STI Rights	The number of STI Rights to be granted to Mr Dingle has been calculated as follows. Mr Dingle’s fixed annual remuneration in FY22 was \$510,000 (FAR) inclusive of superannuation and his maximum STI opportunity was 75% of FAR. The STI payout ratio determined by the Board for following testing of the financial and non-financial targets for FY22 was 40% (of the maximum 75% opportunity, therefore 30% of FAR), as detailed in the Remuneration Report. The Allocation Price to be used is the volume weighted average price (VWAP) of a Share over the 20 trading days following the announcement of the Company’s FY22 full-year results. The 20-day period commenced on 29 August and concluded on 26 September and the Allocation Price is \$0.2562. Therefore, the number of STI Rights proposed to be granted to the Managing Director and Chief Executive Officer, Jake Dingle is: $(510,000 \times 75\% \times 40\%) / \$0.2562 = 597,188$ (rounded down to the nearest even number).
Cessation of Employment	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. If Rights do not lapse upon cessation, unvested Rights will generally continue “on-foot” to vest in the ordinary course. Unless the Board determines otherwise vested Rights must then be exercised within ninety (90) days of vesting (or the Rights will lapse).

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Clawback	Under the Plan, the Board has broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
Change of control	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 FY23 is as follows:

Fixed Annual remuneration (including superannuation) (FAR)	\$525,300 (inclusive of superannuation)
Short term incentive	75% of FAR at maximum
Long term incentive	75% of FAR at maximum

- (e) The total value attributed to the 597,188 STI Rights is approximately \$153,000. This is the value of Mr Dingle's STI award for FY22 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 FY22 full-year results, namely \$0.2562. 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.
- (g) Mr Dingle had received 101,290 STI Rights under the FY21 STI Rights Plan. Those Rights were issued at no cost.
- (h) If shareholders approve the resolution, 597,188 STI Rights will be granted to Mr Dingle. 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 Plan.
- (j) Details of any STI Rights issued under the STI Plan 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 entitled to participate in an issue of securities under the STI Plan 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.

A voting exclusion statement applies to this resolution.

Recommendation

The Board (with Mr Dingle abstaining) recommend that shareholders vote **in favour** of this resolution.

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5 Grant of Rights to the Managing Director and Chief Executive Officer pursuant to FY23 LTI Plan

The Company is seeking the approval of shareholders for the grant of rights to the Managing Director and Chief Executive Officer (Jake Dingle) under the FY23 LTI Offer (**FY23 Rights**). The FY23 Rights will represent the at-risk, long-term equity component of the Managing Director and Chief Executive Officer's total remuneration opportunity for FY23.

Background

The Board proposes to grant the FY23 Rights to further align the Managing Director and Chief Executive Officer's reward with long-term shareholder returns, and to encourage decisions aimed at accelerating the growth of the Company, and focussing on creating sustainable results over the long term.

The grant of FY23 Rights follows a review of relevant performance hurdles, form of equity and grant value for the CEO.

The Board believes that Rights (which do not have an exercise price) and the combination of performance hurdles will drive shareholder returns. Whilst the Board did assess the ongoing use of options, it was not satisfied that the quantum of options, without a discretionary adjustment by the Board (resulting in a reduction of the amount of options to be offered), was in the best interests of shareholders.

Summary of material terms of the FY23 LTI Plan

What is an FY23 Right	<p>Each FY23 Right granted to the participant generally entitles the participant, on vesting, to be allocated one share in the Company (Share). The FY23 Rights will be granted at no cost and will vest if certain performance hurdles are achieved.</p> <p>Participants do not have dividend or voting rights with respect to FY23 Rights.</p> <p>Following vesting, shares allocated to participants will rank equally (in relation to dividends and other rights) with other fully paid ordinary shares.</p> <p>FY23 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 an arrangement under which they "hedge" or alter the economic benefit that they may derive in respect of the FY23 Rights.</p>
Performance Period	<p>The Performance Period is 3 years commencing on 27 September 2022 and concluding on 26 September 2025.</p>
Grant Date of FY23 Rights	<p>The FY23 Rights will be granted within one month following the AGM in November 2022, or in any event within 12 months from the AGM.</p>
Vesting of FY23 Rights	<p>Subject to (i) continued employment with the Company at 26 September 2025 (Testing Date) and the cessation of employment provisions below, and (ii) satisfaction of the performance conditions at or above the threshold targets, FY23 Rights will vest shortly after the Testing Date.</p>
Performance Conditions	<p>The level of vesting of the FY23 Rights will be determined by two equally weighted performance conditions:</p> <ol style="list-style-type: none">1. Relative Total Shareholder Return (rTSR) – 50% weighting

Explanatory Memorandum

	<p>Ranking TSR performance of Carbon Revolution against the TSR of ASX300 comparator group companies defined at the start of the performance period. The following vesting schedule would apply to vesting of this tranche of FY23 Rights:</p> <p>Below Target = 0% vesting</p> <p>Target: Median (p50) performance = 50% vesting</p> <p>Stretch: 75th percentile = 100% vesting</p> <p>Straight line vesting between 50% and 100% for TSR performance achieved between Target and Stretch</p> <p>In order to smooth out the impact of short-term share price fluctuations, averaging periods will be used to determine the start and end share prices when calculating the TSR. The start share price will be based on the VWAP for the 90 days up to (but not including) the first day of the Performance Period. The end Share price will be based on the VWAP for the 90 days up to and including the final day of the Performance Period.</p> <p>The Board may adjust the comparator group to take into account events, including but not limited to takeovers, mergers or de-mergers that might occur during the performance period.</p> <p>2. Strategic Objectives – 50% weighting</p> <p>For the FY23 LTI plan, the board has set 2 equally weighted strategic objectives relating to sustainability and strategic growth.</p> <p><i>Sustainability objectives – 25%</i></p> <p>Given the importance of sustainability to all stakeholders and to the growth of the business, the Board has determined that 25% of the overall FY23 LTI Rights grant will be tested against a set of sustainability objectives over the Performance Period.</p> <p>Given the long-term nature of sustainability the Board will set annual sustainability objectives. The Board believes this is appropriate given the engagement required with OEM customers, the emergence and assessment of new technology and the time required to partner with local and international suppliers. These objectives will be assessed each year and disclosed in the Remuneration Report. At the end of the Performance Period the Board will make an overall assessment of the objectives achieved and determine the vesting of this tranche.</p> <p>To provide more clarity for shareholders the annual objective in year 1 will be focussed on:</p> <ol style="list-style-type: none">1. Clean energy – develop the plan and make material progress to implement a clean energy solution that shifts Waurn Ponds operations from 0% renewable electricity towards 100% renewable electricity.2. Recycling and re-use of cut scrap – implementation of actions for reduction in cut scrap waste leading to a reduction of a minimum 5% in the cut waste that is created per wheel3. End of line (factory scrap wheels) and life (scrap wheels) solution – review global technology to identify current and future sustainable solutions for end of line and end of life wheels. <p>An assessment of these goals will be included in the FY23 Remuneration Report.</p> <p><i>Strategic growth objective – 25%</i></p> <p>With increased demand from existing customers and significant interest from new OEM customers, our strategic plan recognises the imperative to commence planning for the scaling of our technology and operations internationally. This is a significant challenge that is expected to deliver long term shareholder value in terms of sustainable growth and improvements in cost and profitability. The objective requires us to explore a range of alternatives over the Performance Period. In</p>
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Explanatory Memorandum

	<p>determining any vesting of this strategic objective, the Board will assess the following:</p> <ol style="list-style-type: none"> 1. Ensuring Phase 1 Mega-line technology is fully implemented in Australia and utilised profitably, and is scalable. 2. Detailed plans and business case developed and approved for profitably scaling operations. 3. Award of incremental programs and/or volumes which support increased scale of operations and which increase the diversity of the Company's customer portfolio. <p>The Board is cognisant that COVID-19 has led to volatility in the market, and has impacted automotive supply chains globally, and these impacts may continue. Vesting of the FY23 Rights will be monitored to ensure that the outcome for the participant is well-aligned with shareholders' interests. The Board also retains the ability in exceptional circumstances and subject to the requirements of the ASX Listing Rules, to adjust the Performance Conditions, including the vesting schedule, to ensure no material advantage nor disadvantage to the participant. In the event of any use of the discretion, the Board will ensure clear disclosure is made in the relevant Remuneration Report.</p>
Exercise of FY23 Rights	<p>Following the end of the Performance Period, the Board will test the Performance Conditions and determine the number of FY23 Rights which vest.</p> <p>Vested FY23 Rights will be automatically exercised. Shares will be allocated on vesting of the FY23 Rights. The Board retains discretion to settle Rights in cash.</p>
Number of FY23 Rights	<p>The number of FY23 Rights to be granted is calculated as follows (rounded down to the nearest share):</p> <p>Mr Dingle's fixed annual remuneration in FY23 is \$525,300 (FAR) inclusive of superannuation <i>multiplied</i> by his maximum LTI opportunity being 75% of FAR</p> <p><i>divided by</i></p> <p>the 20 day VWAP of a Share over the 20 trading days following the announcement of the Company's FY22 full-year results.</p> <p>The 20-day VWAP calculation period commenced on 29 August 2022 and concluded on 26 September 2022. The VWAP has been calculated as \$0.2562.</p> <p>Therefore, the number of FY23 Rights proposed to be granted to the Managing Director and Chief Executive Officer is:</p> <p>1,537,763 Rights</p>
Cessation of employment	<p>Unless the Board determines otherwise, if the participant ceases employment:</p> <ul style="list-style-type: none"> • through resignation or termination for cause prior to his or her FY23 Rights vesting, the FY23 Rights will lapse on the date of cessation; • in circumstances other than resignation or termination for cause prior to his FY23 Rights vesting, for example, in circumstances such as death, total and permanent disablement, redundancy or mutual separation, then a pro-rata number of FY23 Rights (based on time served in the performance period) will remain on foot and will be tested against the Performance Conditions in the ordinary course
Clawback	<p>The Board has broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.</p>
Change of control	<p>In the event of a change of control, or where the Board determines a change of control is likely to occur, the Board may exercise discretion to determine an</p>

Explanatory Memorandum

	appropriate treatment for the FY23 Rights, subject to compliance with the LTI Plan Rules, applicable law and the ASX Listing Rules.
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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 FY23 Rights.
- (d) Details of Mr Dingle's remuneration for FY23 are as follows:

Fixed Annual remuneration (including superannuation) (FAR)	\$525,300 (inclusive of superannuation)
Short term incentive	75% of FAR at maximum
Long term incentive	75% of FAR at maximum

- (e) The total value attributed to the 1,537,763 FY23 Rights is \$393,975. This is the value of Mr Dingle's FY23 Rights as determined by the Board. This represents 75% of the Managing Director and Chief Executive Officer's total fixed remuneration opportunity for FY23. The value of the FY23 Rights will depend on the number of Rights which vest and the price of Shares on the date on which the FY23 Rights vest.
- (f) Carbon Revolution uses Rights because they enhance the alignment between the interests of the Managing Director and Chief Executive Officer and the Company's shareholders, which is a key principle of Carbon Revolution's remuneration framework.
- (g) Mr Dingle received 1,210,826 Options, in respect of the FY22 LTI Offer. These options were issued at no cost. Upon vesting these options will have an exercise price of \$1.60. Mr Dingle received 186,381 FY21 Rights at no cost in respect of the FY21 LTI Plan.
- (h) If shareholders approve the resolution, 1,537,763 FY23 Rights will be granted to Mr Dingle. If shareholder approval is not obtained, the Board will consider alternative arrangements to incentivise Mr Dingle.
- (i) There is no loan in relation to the FY23 Rights.
- (j) Details of any FY23 Rights issued to the Managing Director and Chief Executive Officer 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 entitled to participate in an issue of securities under the LTI Plan 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.

A voting exclusion statement applies to this resolution.

Recommendation

The Board (with Mr Dingle abstaining) recommend that shareholders vote **in favour** of this resolution.



Carbon Revolution Limited

ABN 96 128 274 653

LODGE YOUR VOTE

ONLINE
<https://investorcentre.linkgroup.com>

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
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

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

PROXY FORM

I/We being a member(s) of Carbon Revolution Limited and entitled to participate in and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (AEDT) on Wednesday, 16 November 2022 at Room 1.417, Building NA, Geelong Technology Precinct, Deakin University Campus Waurin Ponds, 75 Pigdons Road, Vic 3216 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 3, 4 & 5: 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, 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 undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

Resolutions

	For	Against	Abstain*
2 Re-election of Director – Mr James Douglas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of Rights to Chief Executive Officer pursuant to FY22 STI Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of Rights to Chief Executive Officer pursuant to FY23 LTI Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

STEP 3

CBR PRX2201C



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of 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 participate in 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 participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (AEDT) on Monday, 14 November 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

<https://investorcentre.linkgroup.com>

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).



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*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

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

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



Carbon Revolution Limited

ABN 96 128 274 653

LODGE YOUR QUESTIONS

ONLINE
https://investorcentre.linkgroup.com

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

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Parramatta Square, Level 22, Tower 6,
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ALL ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474



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Please use this form to submit any questions about Carbon Revolution Limited ("the Company") that you would like us to respond to at the Company's 2022 Annual General Meeting.

This form must be received by the Company's share registrar, Link Market Services Limited, by 5:00pm (AEDT) on Wednesday, 9 November 2022.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company's auditor, the opportunity to answer written questions submitted to the auditor.

My question relates to (please mark the most appropriate box)

- Performance or financial reports
Remuneration Report
My question is for the auditor
A resolution being put to the AGM
Sustainability/Environment
Future direction
General suggestion
Other

Blank lines for writing the question.

- Performance or financial reports
Remuneration Report
My question is for the auditor
A resolution being put to the AGM
Sustainability/Environment
Future direction
General suggestion
Other

Blank lines for writing the question.

QUESTIONS