

## **NOTICE OF ANNUAL GENERAL MEETING 2018**

### **Applied Graphene Materials plc (the Company)**

(incorporated in England and Wales with registered number 08708426)

The Farndale Room  
The Wilton Centre  
Redcar  
Cleveland TS10 4RF

**Tuesday 18 December 2018, 11am**

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Company will be held at The Farndale Room, The Wilton Centre, Redcar, Cleveland TS10 4RF on Tuesday 18 December 2018 at 11am for the purposes set out below.

Any shareholder intending to attend the Annual General Meeting is advised to arrive early and well before 11am, in order to allow time to pass through The Wilton Centre's security and admission procedures.

### Ordinary resolutions

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

1. To receive the financial statements of the Company for the financial year ended 31 July 2018 together with the reports of the Directors and the auditors in respect of that financial year.
2. To appoint Adrian Potts, who has been appointed by the Board as a Director of the Company.
3. To appoint David Blain, who has been appointed by the Board as a Director of the Company.
4. To re-appoint Bryan Dobson, who is retiring by rotation in accordance with the Articles of Association of the Company, as a Director of the Company.
5. To re-appoint Karl Coleman, who is retiring by rotation in accordance with the Articles of Association of the Company, as a Director of the Company.
6. To appoint RSM UK Audit LLP as auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company at which financial statements are laid.
7. To authorise the Directors to fix the remuneration of the auditors of the Company.
8. That the Directors be and they are hereby generally and unconditionally authorised to allot shares in the Company and grant rights to subscribe for or to convert any security into shares in the Company as follows:
  - 8.1 up to an aggregate nominal amount of £329,529.20 in the form of equity securities (as defined in Section 560 of the Companies Act 2006) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the Directors, to holders of Ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly may be) to the respective number of Ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and
  - 8.2 up to an aggregate nominal amount of £329,529.20 (whether in connection with the same offer or issue as under paragraph 6.1 or otherwise).

This authority shall expire (unless previously varied as to duration, revoked or renewed by the Company in general meeting) at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months after the passing of this resolution, except that the Company may, during the relevant period, make any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends, and the Directors may allot shares or grant such rights in pursuance of such offer or agreement as if the authority had not ended.

### Special resolution

To consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution:

9. That the Directors be and they are hereby empowered pursuant to Section 570 of the Companies Act 2006 to allot equity securities (as defined in Section 560 of that Act) for cash pursuant to the general authority conferred on them by resolution 8 and/or to sell equity securities held as treasury shares for cash pursuant to Section 727 of the Companies Act 2006, in each case as if Section 561 of that Act did not apply to any such allotment or sale, provided that this power shall be limited to:
  - 9.1 any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the Directors, to holders of Ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of Ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and

**Special resolution continued**

9.2 any such allotment and/or sale, otherwise than pursuant to paragraph 9.1 of this resolution, of equity securities having, in the case of Ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into Ordinary shares having an aggregate nominal value not exceeding £49,429.38.

This authority shall expire (unless previously varied as to duration, revoked or renewed by the Company in general meeting) at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date following 15 months after the passing of this resolution, except that the Company may, during the relevant period, make any offer or agreement which would or might require equity securities to be allotted after the authority ends and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority had not ended.

By order of the Board

**David Blain**  
*Company Secretary*

**Registered office**  
*The Wilton Centre*  
*Redcar*  
*Cleveland*  
*TS10 4RF*  
9 November 2018

## NOTES RELATING TO NOTICE OF ANNUAL GENERAL MEETING AND PROXY APPOINTMENTS

### Notice of Meeting notes:

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on Friday 14 December 2018. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting at 11am (UK time) on Tuesday 18 December 2018 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different Ordinary share or Ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. You can vote either:
  - by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions;
  - you may request a hard copy form of proxy directly from the registrars, Link Asset Services (previously called Capita), on Tel: 0371 664 0300. Calls cost 12 pence per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9am – 5.30pm, Monday to Friday excluding public holidays in England and Wales;
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Asset Services at 34 Beckenham Road, Beckenham, Kent, BR3 4ZF not less than 48 hours before the time and date scheduled for the Meeting.

7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the registrars before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this Notice. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

## Notice of Meeting notes continued

11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
13. As at 2 November 2018 (being the latest practicable business day prior to the publication of this Notice), the Company's Ordinary issued share capital consists of 49,429,380 Ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 2 November 2018 are 49,429,380.
14. Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditors' report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
15. Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
16. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from 10am on the day of the Meeting until the conclusion of the Meeting:
  - copies of the Directors' letters of appointment or service contracts.
17. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at [www.appliedgraphenematerials.com](http://www.appliedgraphenematerials.com).

## Documents available for inspection

18. There are available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), and there will be available for inspection at the place of the Meeting from at least 15 minutes prior to and until the conclusion of the Meeting:
  - 18.1 copies of the service contracts of Executive Directors of the Company; and
  - 18.2 copies of the letters of appointment of the Non-Executive Directors of the Company.

## EXPLANATORY NOTES TO THE RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING OF THE COMPANY

The resolutions to be proposed at the Annual General Meeting to be held on Tuesday 18 December 2018 at 11am are set out in the Notice of Annual General Meeting. The following notes provide brief explanations of the resolutions being put to shareholders.

### Ordinary resolutions

Resolutions 1 to 6 are proposed as ordinary resolutions. These resolutions will be passed if more than 50% of the votes are cast in favour of them.

#### Resolution 1 – Laying of financial statements

The Directors are required to present to shareholders at the Annual General Meeting the audited financial statements of the Company and the reports of the Directors and auditors for the financial year ended 31 July 2018.

#### Resolutions 2 and 3 – Appointment of Directors

Since the last Annual General Meeting, the Directors have appointed Adrian Potts and David Blain as Directors of the Company. Each of Adrian Potts and David Blain seek appointment at the Annual General Meeting.

Having considered the performance of and contribution made by the Directors standing for appointment, the Board remains satisfied that the performance of each of them continues to be effective and demonstrate commitment to the role and as such the Board recommends their appointment. The biography of Adrian Potts appears on page 28 of the Company's Annual Report and Financial Statements and the biographies of Adrian Potts and David Blain are on the Company's website at [www.appliedgraphenematerials.com](http://www.appliedgraphenematerials.com).

#### Resolutions 4 and 5 – Re-appointment of Directors

The Company's Articles of Association require one third of the Directors to retire from office each year. Each of Bryan Dobson and Karl Coleman are retiring and seek re-appointment at the Annual General Meeting.

Having considered the performance of and contribution made by the Directors standing for re-appointment, the Board remains satisfied that the performance of each of them continues to be effective and demonstrate commitment to the role and as such the Board recommends their re-appointment. Biographies of Bryan Dobson and Karl Coleman appear on pages 28 and 29 of the Company's Annual Report and Financial Statements and on the Company's website at [www.appliedgraphenematerials.com](http://www.appliedgraphenematerials.com).

#### Resolution 6 – Appointment of auditors

The Companies Act 2006 requires that auditors be appointed at each general meeting at which financial statements are laid to hold office until the next such meeting. PWC LLP, who were appointed as auditors at the last Annual General Meeting of the Company, resigned in June 2018 and the Board appointed RSM UK Audit LLP as auditors in their place. The Board's appointment of RSM UK Audit LLP terminates at the conclusion of the Annual General Meeting. RSM UK Audit LLP have indicated their willingness to stand for re-appointment as auditors of the Company until the conclusion of the next Annual General Meeting. The Company's Audit Committee keeps under review the independence and objectivity of the external auditors and further information can be found in the Annual Report and Financial Statements on page 41. After considering the relevant information, the Audit Committee has recommended to the Board that RSM UK Audit LLP be appointed as auditors.

#### Resolution 7 – Authorising and fixing the remuneration of the auditors

It is normal practice for shareholders to resolve at the Annual General Meeting that the Directors decide on the level of remuneration of the auditors for the audit work to be carried out by them in the next financial year. The amount of the remuneration paid to the auditors for the next financial year will be disclosed in the next audited financial statements of the Company.

#### Resolution 8 – Authority to allot shares

The Directors may only allot shares or grant rights over shares if authorised to do so by shareholders. The authority granted at the last Annual General Meeting to allot shares or grant rights to subscribe for, or convert any security into, shares is due to expire at the conclusion of this year's Annual General Meeting.

The Investment Association (IA) guidelines on authority to allot shares state that IA members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to one third of a company's issued share capital. In addition they will treat as routine a request for authority to allot shares representing an additional one third of the Company's issued share capital provided that it is only used to allot shares for the purpose of a fully pre-emptive rights issue.

Accordingly, resolution 8, if passed, would authorise the Directors under Section 551 of the Companies Act 2006 to allot new shares or grant rights to subscribe for, or convert any security into, new shares (subject to shareholders' pre-emption rights) up to a maximum nominal amount of £659,058.40, representing the IA guideline limit of approximately 66% of the Company's issued share capital as at 2 November 2018.

Resolution 8.1 would give the Directors authority to allot new shares or grant rights to subscribe for, or convert any security into, new shares up to an aggregate nominal value of £329,529.20, representing approximately one third of the Company's issued share capital as at 2 November 2018, in connection with a rights issue in favour of Ordinary shareholders.

## **Ordinary resolutions** continued

### **Resolution 8 – Authority to allot shares** continued

Resolution 8.2, if passed, would give the Directors general authority to allot new shares or grant rights to subscribe for, or convert any security into, new shares up to an aggregate nominal value of £329,529.20, representing approximately one third of the Company's issued share capital as at 2 November 2018. As resolution 8.2 imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with resolution 8.1 so as to enable the whole two thirds to be used in connection with a rights issue. Where the usage of this authority exceeds one third of the issued share capital, the Directors intend to follow best practice as regards its use (including as to the requirement for all Directors to stand for re-election at the next Annual General Meeting of the Company).

The authority will expire at the earlier of the conclusion of the next Annual General Meeting of the Company and close of business on the date falling 15 months after the passing of this resolution 8.

Passing this resolution 8 will ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes.

The Company does not at present hold any shares in treasury.

## **Special resolution**

Resolution 9 is proposed as a special resolution. This resolution will be passed if not less than 75% of the votes are cast in favour.

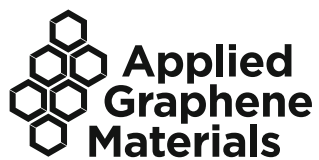
### **Resolution 9 – Disapplication of pre-emption rights**

The Companies Act 2006 requires that if the Company issues new shares or grants rights to subscribe for or to convert any security into shares for cash, it must first offer them to existing shareholders in proportion to their current holdings. In certain circumstances, it may be in the best interests of the Company to allot shares (or to grant rights over shares) for cash without first offering them proportionately to existing shareholders. This cannot be done under the Companies Act 2006 unless the shareholders have first waived their pre-emption rights. In accordance with investor guidelines, therefore, approval is sought by the Directors to issue a limited number of Ordinary shares for cash without first offering them to existing shareholders.

Resolution 9 seeks to renew the Directors' authority to issue equity securities of the Company for cash without application of pre-emption rights pursuant to Section 561 of the Companies Act 2006. Other than in connection with a rights or other pre-emptive issue, scrip dividend, or other similar issue, the authority contained in this resolution would be limited to a maximum nominal amount of £49,429.38 (which would equate to 2,471,469 Ordinary shares of 2 pence each), representing approximately 5% of the Company's issued share capital as at 2 November 2018.

Resolution 9 seeks a disapplication of the pre-emption rights on a rights issue or other pre-emptive offer so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which might arise, for example, with overseas shareholders. If passed, this authority will expire at the same time as the authority to allot shares given pursuant to resolution 9 (Authority to allot shares).

Save for share issues in respect of employee share schemes and any share dividend alternatives, the Directors have no current plans to utilise either of the authorities sought by resolutions 9 (Authority to allot shares) and 9 (Disapplication of pre-emption rights), although they consider their renewal appropriate in order to retain maximum flexibility to take advantage of business opportunities as they arise. The Directors intend to follow best practice set out in the Pre-emption Group's Statement of Principles to the effect that use of this authority in excess of 7.5% of the Company's issued share capital in a rolling three year period would not take place without prior consultation with shareholders.



**Applied Graphene Materials plc**

The Wilton Centre  
Wilton  
Redcar  
Cleveland TS10 4RF

Tel: 01642 438214  
Email: [info@appliedgraphenematerials.com](mailto:info@appliedgraphenematerials.com)

**[www.appliedgraphenematerials.com](http://www.appliedgraphenematerials.com)**