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ASX ANNOUNCEMENT
(ASX: **NVX**)

10 January 2022

NOVONIX Commences Process for Nasdaq Listing

NOVONIX Limited (ASX: NVX, OTCQX: NVNXF) ("NOVONIX" or "the Company"), today announces the commencement of the process to list its securities on the Nasdaq Stock Market ('Nasdaq'). As announced to the Australian Securities Exchange ("ASX") on 10 May 2021, NOVONIX has been exploring a secondary listing of its securities on Nasdaq. In the first stage of the process, NOVONIX has filed a registration statement, Form 20-F, with the U.S. Securities and Exchange Commission ("SEC"). The U.S. listing is expected to take place after the SEC and Nasdaq have completed their review process and upon effectiveness of the registration statement.

The securities will take the form of a Level II American Depository Receipt (ADR) program and will complement the existing primary listing of NVX shares on the Australian Securities Exchange ("ASX"). An ADR is a negotiable receipt, resembling a stock certificate that is issued by a United States depositary bank appointed to evidence one or more American Depositary Shares.

The Company intends to appoint The Bank of New York Mellon ("BNY Mellon") to establish the Level II ADR Program and to act as the ADR depositary, custodian and registrar.

Establishing this program is part of an ongoing strategy to expand NOVONIX's reach to investors in the United States and make the Company's securities potentially eligible as a direct investment for North American institutions and fund managers.

Under the program, NOVONIX expects to begin trading on Nasdaq under the ticker symbol "NVX". The establishment of the program by NOVONIX is not a public offering or issuance of new NOVONIX ordinary shares. Under the Level II program, the ADRs will be based on NOVONIX's ordinary shares currently on issue. Each ADR will represent four (4) fully paid ordinary shares of NOVONIX. No final decision has been made by the SEC in respect of the proposed Nasdaq listing and there can be no assurance as to the occurrence, timing and/or completion of such a listing and effectiveness of the registration statement. NOVONIX'S ordinary shares are currently listed on the ASX under the symbol "NVX" where the securities will continue to trade following any Nasdaq listing.

A copy of the Form 20-F which has been filed with the SEC is attached to this announcement.

"We believe NOVONIX was the first qualified supplier of high-capacity long-life synthetic graphite anode material to a major cell maker and is the only supplier with plans to provide

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large volumes of this key material in the U.S. Our technological breakthroughs are helping to power the energy storage market, leading to better performance, longer life and lower costs," said Dr. Chris Burns, CEO of NOVONIX. "This listing furthers our long-term goal of reshoring the EV supply chain in North America and becoming a leader in the electrification economy."

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities of the Company, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Any offers, solicitations or offers to buy, or any sales of securities will be made in accordance with the registration requirements of the U.S. Securities Act of 1933, as amended ("Securities Act"). This announcement is being issued in accordance with Rule 135 under the Securities Act.

This announcement has been authorised for release by NOVONIX Chairman, Admiral Robert J. Natter, USN Ret.

ABOUT NOVONIX

NOVONIX LIMITED (ASX: NVX, OTCQX: NVNXF) is an integrated developer and supplier of high-performance materials, equipment and services for the global lithium-ion battery industry with operations in the USA and Canada and sales in more than 14 countries. NOVONIX's mission is to support the global deployment of lithium-ion battery technologies for a cleaner energy future.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this press release, including statements that relate to the company's plans for the U.S. Listing, the commencement of trading of the ADRs on the Nasdaq, and regarding our future results of operations, financial condition, business strategy and plans and objectives of management for future operations. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," or "would," or the negative of these words or other similar terms or expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of known and unknown risks, uncertainties, other factors and assumptions. We undertake no obligation to update any forward-looking statements made in this registration statement to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve

the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

For NOVONIX Limited:

IR@novonixgroup.com (investors)

media@novonixgroup.com (media)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☒ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

or

☐ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

or

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission file number: _____

NOVONIX LIMITED
(Exact name of Registrant as specified in its charter)

NOVONIX LIMITED
(Translation of Registrant's name into English)

Australia
(Jurisdiction of incorporation or organization)

NOVONIX LIMITED
Level 8
46 Edward Street
Brisbane QLD 4000
Australia
(Address of principal executive offices)

NOVONIX Limited
Level 8
46 Edward Street
Brisbane QLD 4000
Australia
(P) 0439 310 818
Attn: Suzanne Yeates, Company Secretary
suzie@novonixgroup.com
(***Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person***)

***Copies to*:**

William J. Miller
Kimberly C. Petillo-Décossard
Ross Sturman
Cahill Gordon & Reindel LLP
32 Old Slip
New York, NY 10005
(212) 701-3000

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange and on which registered
American Depositary Shares	NVX	The Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or (15)(d) of the Securities Exchange Act of 1934. Yes ☐ No ☐

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "accelerated filer," "large accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☐
Emerging Growth Company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☐

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

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INTRODUCTION AND USE OF CERTAIN TERMS

We were incorporated under the laws of Australia in 2012 under the name Graphitecorp Pty Limited. In 2015, we completed an initial public offering of our ordinary shares and the listing of our ordinary shares on the Australian Securities Exchange, or the ASX, and changed our name to GRAPHITECORP Limited. In 2017, we changed our name to NOVONIX Limited. We are submitting this registration statement on Form 20-F in anticipation of the listing of the American Depositary Shares (''ADSs'') on the Nasdaq Stock Market LLC under the symbol ''NVX''. The Bank of New York Mellon, acting as depositary, will register and deliver our ADSs, each of which will represent four ordinary shares.

We have prepared this registration statement using a number of conventions, which you should consider when reading the information contained herein. In this registration statement, ''NOVONIX,'' the ''Company,'' the ''Group'', ''our company,'' ''we,'' ''us'' and ''our'' refer to NOVONIX Limited and its consolidated subsidiaries, taken as a whole.. Additionally, this registration statement uses the following conventions:

- ''US$'' and ''U.S. dollars'' and ''dollars'' mean U.S. dollars;
- ''A$'' mean Australian dollars;
- ''C$'' mean Canadian dollars, unless otherwise noted;
- ''ADSs'' mean American depositary shares, each of which represents four of our ordinary shares, no par value;
- ''ADRs'' mean the American depositary receipts that may evidence the ADSs; and
- ''NASDAQ'' refers to the Nasdaq Stock Market LLC.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This registration statement contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this registration statement, including statements regarding our future results of operations, financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as ''anticipate,'' ''believe,'' ''contemplate,'' ''continue,'' ''could,'' ''estimate,'' ''expect,'' ''intend,'' ''may,'' ''plan,'' ''potential,'' ''predict,'' ''project,'' ''should,'' ''target,'' ''will,'' or ''would,'' or the negative of these words or other similar terms or expressions.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of known and unknown risks, uncertainties, other factors and assumptions, including the risks described in ''Risk Factors'' and elsewhere in this registration statement, regarding, among other things:

- regulatory developments in the United States, Australia and other jurisdictions;
- the perceived benefits of the transaction between the Company and Phillips 66;
- our ability to scale-up production of our anode or cathode materials;
- the continuation of our sponsorship of the Research Group of Dr. Mark Obrovac at Dalhousie University for the development of our technology;
- our ability to attract and retain key management, and qualified personnel;
- the accuracy of our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;
- our use of the proceeds from the Phillips 66 Transaction;
- the future trading price of the ADSs and impact of securities analysts' reports on these prices; and
- other risks and uncertainties, including those listed under ''Risk Factors.''

These risks are not exhaustive. Other sections of this registration statement may include additional factors that could harm our business and financial performance. New risk factors may emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this registration statement primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. We undertake no obligation to update any forward-looking statements made in this registration statement to reflect events or circumstances after the date of this registration statement or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

In addition, statements that ‘‘we believe’’ and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this registration statement. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

You should read this registration statement and the documents that we reference in this registration statement and have filed as exhibits to the registration statement of which this registration statement is a part with the understanding that our actual future results, levels of activity, performance and achievements may be different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

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PART I

Item 1. Identity of Directors, Senior Management and Advisers

A. Directors and Senior Management

For information on our directors and senior management, see ''*Item 6A. Directors and Senior Management.*''

B. Advisors

Our U.S. legal counsel is:

Cahill Gordon & Reindel
32 Old Slip
New York, New York 10005

Our Australian legal counsel is:

Allens
480 Queen St., Level 26
Brisbane, Queensland 4000
Australia

C. Auditors

Our auditors for fiscal years 2021, 2020 and 2019 are:

PricewaterhouseCoopers
480 Queen Street, GPO Box 150
Brisbane, Queensland 4000
Australia

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and Indebtedness

The following table sets forth our cash and our capitalization:

- On an actual basis as of June 30, 2021; and
- On a pro forma basis to give effect to (i) the issuance of 77,962,578 ordinary shares to Phillips 66 in the Phillips 66 Transaction for an aggregate purchase price of US$150 million and (ii) the incurrence of indebtedness used to purchase our facility in Chattanooga, Tennessee, ''Riverside'' (locally referred to as ''Big Blue'').

The information contained in this ''Capitalization'' section contains translations of Australian dollar amounts into U.S. dollars for convenience. Unless otherwise stated, all translations from Australian dollars to U.S. dollars were made at A$1.3340 to $1.00 (the noon buying rate on June 30, 2021).

You should read this information in conjunction with our consolidated financial statements and the related notes included elsewhere in this registration statement, ''Operating and Financial Review and Prospects'' and other financial information contained elsewhere in this registration statement.

	Actual		Pro Forma	
	As of June 30, 2021		As of June 30, 2021	
	US$[1]	A$	US$[1]	A$
Total cash and cash equivalents[2,3,4]	102,446,759	136,663,976	258,472,602	344,802,451
Secured, bank loans	4,053,922	5,407,932	4,053,922	5,407,932
Unsecured, other loans	641,449	855,693	641,449	855,693
Loan secured against Riverside[3]	—	—	31,122,588	41,517,532
Total debt[3]	4,695,371	6,263,625	35,817,959	47,781,157
Contributed equity: 404,601,384 ordinary shares, no par value, outstanding, actual	174,809,975	233,196,507	174,809,975	233,196,507
Phillips 66 capital raise[2]	—	—	156,025,843	208,138,475
Total contributed equity (404,601,384 ordinary shares, no par value, outstanding, on a pro forma basis)	174,809,975	233,196,507	330,835,819	441,334,982
Accumulated losses	(61,419,236)	(81,933,261)	(61,419,236)	(81,933,261)
Reserves	24,836,999	33,132,556	24,836,999	33,132,556
Total equity	138,227,738	184,395,802	294,253,581	392,534,277
Total Capitalization	142,923,109	190,659,427	330,071,540	440,315,343

1. Translation of Australian dollar-denominated amounts into U.S. dollars has been made at the noon buying rate on June 30, 2021 (US$1.00 = A$1.3340).
2. Pro-forma adjustment represents Phillips 66 capital raise of 77,962,578 fully paid ordinary shares for US$150 million translated into Australian dollar at the XE.com at exchange rate as of 30 September 2021 (A$1.00 = US$0.7207), the date the funds were received.
3. Pro-forma adjustment represents long-term borrowings of U$30.1 million secured against Riverside property, translated into Australian dollar at the XE.com at exchange rate as of 25 August 2021 (A$1.00 = US$0.7250).
4. As of September 30, 2021, we had cash and cash equivalents of A$290,971,003.

The outstanding ordinary share information in the table above is based on 404,601,384 ordinary shares outstanding as of June 30, 2021, and excludes 33,703,334 ordinary shares issuable upon the exercise of outstanding options and performance rights as of June 30, 2021.

C. Reasons for the Offer and Use of Proceeds

Not Applicable.

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D. Risk Factors

Our business is subject to numerous risks and uncertainties that you should consider before investing in our securities. These risks are described more fully below and include, but are not limited to, risks relating to the following:

- The energy storage market continues to evolve, is highly competitive, and we may not be successful in competing in this industry or establishing and maintaining confidence in our long-term business prospects among current and future partners and customers.
- We have a history of financial losses and expect to incur significant expenses and continuing losses in the near future.
- Our future growth and success will depend on our ability to sell effectively to large customers.
- We depend, and expect to continue to depend, on a limited number of customers for a significant percentage of our revenue.
- We may not be able to engage target customers successfully and to convert such contacts into meaningful orders in the future.
- We have a concentration of ownership among Phillips 66 and our executive officers, non-executive directors and their affiliates that may prevent new investors from influencing significant corporate decisions.
- Our commercial relationships are subject to various risks which could adversely affect our business and future prospects.
- We benefit from our collaborative research agreement with Dalhousie University to support the development of current and future technology. Termination of this agreement would likely harm our business, and even if it continues, it may not be successful.
- We face significant challenges in our attempt to develop our anode and cathode materials and produce them at high volumes with acceptable performance, yields and costs. The pace of development in materials science is often not predictable. We may encounter substantial delays or operational problems in the scale-up of our anode or cathode materials.
- The manufacture of our materials and equipment is complex and we are subject to many manufacturing risks, any of which could substantially increase our costs and limit supply of our materials and equipment.
- We may choose not to, or may not be able to, fully develop our Mount Dromedary Graphite Project.

  If our materials or equipment fail to perform as expected, our ability to develop, market, and sell our materials or equipment could be harmed.
- We may not be able to accurately estimate the future supply and demand for our materials and equipment, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements or prices of components increase, we could incur additional costs or experience delays.
- We may not be able to establish supply relationships for necessary components or may be required to pay costs for components that are more expensive than anticipated, which could delay the introduction of our equipment and negatively impact our business.
- If we are unable to attract and retain key employees and qualified personnel, our ability to compete could be harmed.
- Our inability to identify qualified individuals for our workforce could adversely impact our ability to scale-up manufacturing of our cathode and anode materials.
- We may need to obtain funding from time to time to finance our growth and operations, which may not be available on acceptable terms, or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce or eliminate certain operations, and we may be unable to adequately control their costs.

- Our business and future growth depend substantially on the growth in demand for electric vehicles and batteries for grid energy storage.
- We have been, and may in the future be, adversely affected by the global COVID-19 pandemic.
- Our projected operating and financial results relies in large part upon assumptions and analyses developed by us. If these assumptions or analyses prove to be incorrect, our actual operating results may be materially different from our projected results.
- We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.
- Our systems and data may be subject to intentional disruption, other security incidents, or alleged violations of laws, regulations, or other obligations relating to data handling that could result in liability and adversely impact our reputation and future sales.
- Our facilities or operations could be damaged or adversely affected as a result of natural disasters and other catastrophic events.
- Any global systemic political, economic and financial crisis (as well as the indirect effects flowing therefrom) could negatively affect our business, results of operations, and financial condition.
- From time to time, we may be involved in litigation, regulatory actions or government investigations and inquiries, which could have an adverse impact on our profitability and consolidated financial position.
- Loss of any leasehold interests in our tenements could limit our ability to mine these properties or result in significant unanticipated costs.
- We are subject to substantial regulation and unfavorable changes to, or failure by us to comply with, these regulations could substantially harm our business and operating results.
- We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.
- We are subject to environmental, health and safety requirements which could adversely affect our business, results of operation and reputation.
- Our success depends upon our ability to obtain and maintain intellectual property protection for our materials and technologies.
- Our inability to protect our confidential information and trade secrets would harm our business and competitive position.
- Our patent applications may not result in issued patents or our patent rights may be contested, circumvented, invalidated or limited in scope, any of which could have a material adverse effect on our ability to prevent others from interfering with our commercialization of our products
- Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our technologies and processes.
- Our lack of registered trademarks and trade names could potentially harm our business.
- We may be unable to obtain intellectual property rights or technology necessary to develop and commercialize our materials and equipment.
- We may become involved in lawsuits or other proceedings to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have a negative effect on the success of our business.
- We may be subject to claims by third parties asserting misappropriation of intellectual property, or claiming ownership of what we regard as our own intellectual property.

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- Intellectual property rights do not necessarily address all potential threats.
- An active U.S. trading market may not develop.
- The trading price and volume of the ADSs may be volatile, and purchasers of the ADSs could incur substantial losses.
- Future sales of our ordinary shares or the ADSs or the anticipation of future sales could reduce the market price of our ordinary shares or the ADSs.
- If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable reports about our business, the price of the ADSs and their trading volume could decline.
- We do not currently intend to pay dividends on our securities and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the ADSs.
- The dual listing of our ordinary shares and the ADSs may negatively impact the liquidity and value of the ADSs.
- U.S. investors may have difficulty enforcing civil liabilities against our company, our directors or members of senior management and the experts named in this registration statement.
- Australian takeover laws may discourage takeover offers being made for us or may discourage the acquisition of a significant position in our ordinary shares or the ADSs.
- Our Constitution and Australian laws and regulations applicable to us may differ from those which apply to a U.S. corporation.
- Holders of ADSs will not be directly holding our ordinary shares.
- Your right as a holder of ADSs to participate in any future preferential subscription rights offering or to elect to receive dividends in ordinary shares may be limited, which may cause dilution to your holdings.
- You may not be able to exercise your right to vote the ordinary shares underlying your ADSs.
- You may be subject to limitations on the transfer of your ADSs and the withdrawal of the underlying ordinary shares.
- ADS holders' rights to pursue claims is limited by the terms of the deposit agreement.
- We and the depositary are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement and we may terminate the deposit agreement, without the prior consent of the ADS holders.
- ADS holders have limited recourse if we or the depositary fail to meet our respective obligations under the deposit agreement.
- As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws that apply to public companies that are not foreign private issuers.
- As a foreign private issuer we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance listing standards and these practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards.
- We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.
- We are an ''emerging growth company'' under the JOBS Act and will be able to avail ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make our ordinary shares and ADSs less attractive to investors.

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- We will incur significant increased costs as a result of operating as a company with ADSs that are publicly traded in the United States, and our management will be required to devote substantial time to new compliance initiatives.
- We identified material weaknesses in our internal control over financial reporting in connection with the preparation of our financial statements for the fiscal year ended June 30, 2021, and we may identify additional material weaknesses in the future that may cause us to fail to meet our reporting obligations or result in material misstatements of our financial statements. If we fail to implement and maintain an effective system of internal controls to remediate our material weaknesses over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence in our company and the market price of the ADSs may be negatively impacted.
- We currently report our financial results under IFRS, which differs in certain significant respect from U.S. generally accepted accounting principles, or U.S. GAAP.
- We are subject to risks associated with currency fluctuations, and changes in foreign currency exchange rates could impact our results of operations.
- Our ability to utilize our net operating losses to offset future taxable income may be prohibited or subject to certain limitations.
- If we are a passive foreign investment company, there could be adverse U.S. federal income tax consequences to U.S. holders.
- If a U.S. person is treated as owning at least 10% of our ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.
- Future changes to tax laws could materially adversely affect our company and reduce net returns to our shareholders.

Risks Related to Our Business

The energy storage market continues to evolve, is highly competitive, and we may not be successful in competing in this industry or establishing and maintaining confidence in our long-term business prospects among current and future partners and customers.

The energy storage market in which we compete continues to evolve and is highly competitive. Certain energy storage technologies, such as lithium-ion battery technology have been widely adopted and our current competitors, and future competitors may, have greater resources than we do and may also be able to devote greater resources to the development of their current and future technologies. These competitors also may have greater access to customers and may be able to establish cooperative or strategic relationships among themselves or with third parties that may further enhance their resources and competitive positioning. In addition, lithium-ion battery manufacturers may continue to reduce cost and expand supply of conventional batteries and therefore negatively impact the ability for us to sell our materials, equipment and services at market-competitive prices and yet at sufficient margins.

Automotive original equipment manufacturers (‘‘OEMs’’) are researching and investing in energy storage development and production. We expect competition in energy storage technology and EVs to intensify due to increased demand for these vehicles and a regulatory push for EVs, continuing globalization, and consolidation in the worldwide automotive industry. Developments in alternative technologies or improvements in energy storage technology made by competitors may materially adversely affect the sales, pricing and gross margins of our business. If a competing technology is developed that has superior operational or price performance, our business will be harmed. Similarly, if we fail to accurately predict and ensure that our technology can address customers’ changing needs or emerging technological trends, or if our customers fail to achieve the benefits expected from our materials, equipment and services, our business will be harmed.

We must continue to commit significant resources to develop our technologies in order to establish a competitive position, and these commitments will be made without knowing whether such investments will result in materials, equipment and services potential customers will accept. There is no assurance we will successfully

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identify new customer requirements, develop and bring our materials, equipment and services to market on a timely basis, or that products and technologies developed by others will not render our materials, equipment and services obsolete or noncompetitive, any of which would adversely affect our business and operating results.

Customers will be less likely to purchase our materials, equipment and services if they are not convinced that our business will succeed in the long term. Similarly, suppliers and other third parties will be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed in the long term. Accordingly, in order to build and maintain our business, we must maintain confidence among current and future partners, customers, suppliers, analysts, ratings agencies and other parties in our long-term financial viability and business prospects. Maintaining such confidence may be particularly complicated by certain factors including those that are largely outside of our control, such as our limited operating history, size and financial resources relative to our competitors, market unfamiliarity with our materials, equipment and services, any delays in scaling manufacturing, delivery and service operations to meet demand, competition and uncertainty regarding the future of energy storage technologies and our eventual production and sales performance compared with market expectations.

We have a history of financial losses and expect to incur significant expenses and continuing losses in the near future.

We incurred net losses of A$20.2 million, A$19.5 million and A$25.3 million for the year ended June 30, 2021, June 30, 2020, and June 30, 2019 respectively. We believe that we will continue to incur operating and net losses in each year until at least the time we begin significant production of our anode materials, which is not expected to occur earlier than 2023, and may occur later or not at all.

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue to acquire additional real property and purchase additional production equipment associated with the manufacture of synthetic graphite. For example, in May 2021, we purchased commercial land and buildings in Nova Scotia, Canada for C$3,550,000 from which the cathode business will operate. We entered into a C$4,375,000 loan facility to purchase and upgrade the land and buildings, of which C$3,169,216 has been drawn down as of the date of this registration statement. The full facility is repayable in monthly installments, commencing May 2022 and ending in April 2047. In addition, we expect to incur significant commercialization expenses related to sales, marketing, and distribution to the extent that such sales, marketing and distribution are not the responsibility of any future customers. Further, we expect to incur additional costs associated with operating as a public company in the United States. We may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenues, which would further increase our losses, impact our ability to repay our debt and require future capital raises to maintain the business. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. There can be no assurance that such financing would be available to us on favorable terms or at all. These conditions give rise to substantial doubt over our ability to continue as a going concern. If we were not able to continue as a going concern, or if there were continued doubt about our ability to do so, the value of your investment would be materially and adversely affected.

Our future growth and success will depend on our ability to sell effectively to large customers.

Our current and potential customers are primarily battery manufacturers and automotive OEMs that tend to be large enterprises. Therefore, our future success will depend on our ability to effectively sell our materials, equipment and services to such large customers. Sales to these end-customers involve risks that may not be present (or that are present to a lesser extent) with sales to smaller customers. These risks include, but are not limited to, (i) increased purchasing power, pricing power, and leverage held by large customers in negotiating contractual arrangements with us and (ii) higher minimum volume requirements that we may be unable to meet and (iii) longer sales cycles and the associated risk that substantial time and resources may be spent on a potential customer that elects not to purchase our materials, equipment or services.

Large organizations often undertake a significant evaluation process that results in a lengthy sales cycle. In addition, purchases by large organizations are frequently subject to budget constraints, multiple approvals and unanticipated administrative, processing and other delays. Finally, large organizations typically have longer

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implementation cycles, require greater product functionality and scalability, require a broader range of services, demand that vendors take on a larger share of risks, require acceptance provisions that can lead to a delay in revenue recognition and expect greater payment flexibility. All of these factors can add further risk to business conducted with these potential customers.

We depend, and expect to continue to depend, on a limited number of customers for a significant percentage of our revenue.

Our BTS business is currently our only business that is generating revenue, and BTS has generated most of its revenue from a limited number of customers. For example, sales to our top five BTS customers accounted for 41% and 57% of our total revenue for the year ended June 30, 2020, and the year ended June 30, 2021, respectively. Although our NOVONIX Anode Materials business is not yet generating revenue, our plans to scale the business are dependent upon our collaborations with Samsung SDI and SANYO Electric (a Panasonic company) (''SANYO Electric'') resulting in sales of our anode materials to those parties. Because we rely, and will continue to rely, on a limited number of customers for significant percentages of our revenue, a decrease in demand or significant pricing pressure from any of our major customers for any reason could have a materially adverse impact on our business, financial condition and results of operations.

In addition, a number of factors not within our control could cause the loss of, or reduction in, business or revenues from any customer, and these factors are not predictable. These factors include, among others, pricing pressure from competitors, a change in a customer's business strategy or financial condition, or change in market conditions. Our customers may also choose to pursue alternative technologies and develop alternative products in addition to, or in lieu of, our materials and equipment, either on their own or in collaboration with others, including our competitors. The loss of any major customer or key project, or a significant decrease in the volume of customer demand or the price at which we sell our materials and equipment to customers, could materially adversely affect our financial condition and results of operations.

We may not be able to engage target customers successfully and to convert such contacts into meaningful orders in the future.

Our success, and our ability to increase revenue and operate profitably, depends in part on our ability to identify target customers and convert such contacts into meaningful orders or expand on current customer relationships. In addition to new customers, our future success depends on whether our current customers are willing to continue using our materials and equipment as well as whether their product lines continue to incorporate our materials and equipment.

For example, although our NOVONIX Anode Materials business has signed a separate non-binding memorandum of understanding with two of the world's leading EV battery manufacturers, Samsung SDI and SANYO Electric, these agreements are non-binding, do not guarantee long-term agreements will be entered into, and require the satisfaction of quality standards and milestones of delivering mass production volume samples from the Generation 2 furnace systems for final qualification. There is no assurance that these conditions will ultimately be satisfied. As of July 2021, the first mass production materials from the Generation 2 furnace system have been shipped to SANYO Electric for qualification. However, if future production requirements, or similar production requirements with other potential customers, are not met, or the materials produced are not of acceptable quality, we may lose these customers and lose credibility with other domestic and international battery manufacturers and automotive OEMs, any of which could materially adversely affect our financial condition and results of operations.

Our R&D efforts strive to create materials and equipment that are on the cutting edge of technology, but competition in our industry is high. To secure acceptance of our materials and equipment, we must constantly develop and introduce materials and equipment that are cost-effective and with enhanced functionality and performance to meet evolving industry standards. If we are unable to meet our customers' performance or volume requirements or industry specifications, retain or convert target customers, our business, prospects, financial condition and operating results could be materially adversely affected.

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We have a concentration of ownership among Phillips 66 and our executive officers, non-executive directors and their affiliates that may prevent new investors from influencing significant corporate decisions.

In September 2021, we consummated a transaction with Phillips 66 pursuant to which Phillips 66 purchased 77,962,578 ordinary shares of NOVONIX for a total purchase price of US$150 million (the "Phillips 66 Transaction").

As a result of the Phillips 66 Transaction, Phillips 66 beneficially owns approximately 16.2% of our ordinary shares (based on the number of our outstanding shares as of September 30, 2021), and, as of September 30, 2021, our executive officers, non-executive directors and their affiliates as a group beneficially owned approximately 23.3% as a group will be able to exercise a significant level of control over all matters requiring shareholder approval. This control could have the effect of delaying or preventing a change of control or changes in our management and will make the approval of certain transactions difficult or impossible without the support of these shareholders and of their votes. In addition, pursuant to the terms of the Phillips 66 Transaction, Phillips 66 has the right to nominate one director to our Board of Directors and certain rights to be notified of, and/or participate in, issuances of shares by the Company (other than distributions of shares to the Company's shareholders on a pro rata basis). The interests of Phillips 66 and these shareholders may differ from our interests or those of our other shareholders, and these shareholders may not exercise their voting power in a manner favorable to our other shareholders.

Our commercial relationships are subject to various risks which could adversely affect our business and future prospects.

Many of our commercial relationships are conditional, subject to supply performance, market conditions, quality assurance processes and audits of supplier processes fulfillments. There can be no assurance that we will be able to satisfy the conditions set forth by any of our current or future business partners. If we are unsuccessful in meeting the demand for high-quality materials and equipment, our business and prospects will be materially adversely affected.

In addition, our business partners may have economic, business or legal interests or goals that are inconsistent with our goals. Any disagreements with our business partners may impede our ability to maximize the benefits of any partnerships and slow the commercialization of materials and equipment. Our arrangements may require us, among other things, to pay certain costs or to make certain capital investments, for which we may not have the resources. In addition, if our business partners are unable or unwilling to meet their economic or other obligations under any business arrangements, our business and prospects will be materially adversely affected.

We benefit from our collaborative research agreement with Dalhousie University to support the development of our current and future technology. Termination of this agreement would likely harm our business, and even if it continues, it may not be successful.

In October 2018, we entered into a five-year sponsorship agreement with the Research Group of Dr. Mark Obrovac at Dalhousie University ("Dalhousie") to develop new battery technologies. In February 2021, a new, collaborative research agreement was established and will last for a term of five years. However, the agreement may be terminated at will by either party upon 90 days' notice, including without cause. If Dalhousie elects to terminate the agreement with us, our ability to continue to develop our technologies could be adversely impacted.

In addition, as of the date of this registration statement, most of our patents have been developed through this sponsorship or include technology developed through this sponsorship. Although this sponsorship has been historically successful in new intellectual property generation, there can be no assurance that it will be successful in future efforts to develop any new intellectual property. Moreover, while we have the first right to file patent applications based on intellectual property generated under our agreement with Dalhousie, and we would be the sole owner of any such patent and the intellectual property incorporated therein, there can be no guarantee that any such commercialization will be successful. Disputes may arise between us and the other parties to the sponsorship agreement regarding intellectual property subject to the sponsorship or other matters, including with respect to: the scope of rights granted under, and ownership of the intellectual property resulting from, the agreement and other interpretation-related issues; the amount and timing of payments; the rights and obligations of the parties under the agreement; and the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by each of the parties.

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Any disputes with Dalhousie may prevent or impair our ability to maintain our current arrangement. We benefit from the intellectual property development assistance from Dalhousie to develop, manufacture, expand, and accelerate our materials and technology. We cannot assure you that we will be able to continue to comply with the terms of the sponsorship. Termination of the sponsorship of Dr. Obrovac's Research Group at Dalhousie could result in the loss of important rights and would likely harm our ability to further develop our technology.

We face significant challenges in our attempt to develop our anode and cathode materials and produce them at high volumes with acceptable performance, yields and costs. The pace of development in materials science is often not predictable. We may encounter substantial delays or operational problems in the scale-up of our anode or cathode materials.

Developing anode and cathode materials that meet the requirements for wide adoption by our potential customers is a difficult undertaking. We are still in the development stage for certain of our materials and face significant challenges and in producing our materials in commercial volumes. Some of the development challenges that could prevent our ability to scale up production of our materials include changes in product performance from small to large scale production, challenges in deployment of mass production equipment, and inability to produce materials cost effectively at large volumes. If we are unable to cost efficiently design, manufacture, market, sell and distribute our materials and equipment, our margins, profitability and prospects would be materially and adversely affected. We have only recently begun production of materials with our Generation 2 furnace systems and we have yet to produce cathode materials beyond lab and small pilot volumes. Our forecasted cost advantage for the production of these materials at scale will require us to achieve rates of yield that we have not yet achieved. If we are unable to achieve these targeted rates, our business will be adversely impacted.

Any delay in the manufacturing scale-up of our anode materials or the progression of our cathode materials from lab to commercial scale manufacturing would negatively impact our business as it will delay time to revenue and negatively impact our customer relationships.

We currently have plans to increase our facility's target capacity of anode materials utilizing new proprietary furnace technology developed in collaboration with Harper International Corporation. In April 2021, we completed the installation of the first Generation 2 furnace developed through this collaboration and have recently begun production of materials in that Generation 2 system for internal testing and to support customer qualification requirements. We have not yet completed the installation of any Generation 3 furnace systems. Our ability to produce at increased capacity is largely dependent upon Harper manufacturing and supplying, and our successful implementation of, either Generation 2 or Generation 3 furnace systems, as well as an increase in staffing focused on plant design and engineering. The targeted production capacity scale of our anode materials to 10,000 tonnes per year in 2023, and our hopes to expand our annual production capacity to 40,000 tonnes in 2025 and 150,000 tonnes in 2030, are also contingent on the successful satisfaction of a number of other factors, some of which are beyond our control, including, among others, that we obtain funding on attractive terms to enable further expansion of our current production facilities and could require that we expand our production capacity through acquisitions, joint ventures or other inorganic means. Acquisitions, if pursued, involve many risks, any of which could materially harm our business, including the diversion of management's attention from core business concerns, failure to effectively exploit acquired technologies, failure to successfully integrate the acquired business or realize expected synergies or the loss of key employees from either our business or the acquired businesses. If we are unable to execute on those expansion efforts for any reason, we may experience a delay in the manufacturing scale-up or the scale-up may not occur at all, which would result in the loss of customers and materially damage our business, prospects, financial condition, operating results and brand.

The progression of our cathode materials from lab to commercial scale manufacturing is contingent upon the success of our DPMG and single crystal cathode methodology and expansion of our production scale. If production of cathode materials using this methodology, either on pilot or commercial scale, is not successful, our business, prospects, financial condition, operating results and brand may be materially adversely affected.

Operational problems with our manufacturing and related equipment could also result in the personal injury or death of workers, safety or environmental incidents, the loss of production equipment, damage to manufacturing facilities, monetary losses, delays and unanticipated fluctuations in production. In addition, operational problems may result in environmental damage, administrative fines, increased insurance costs and potential legal liabilities. All of these operational problems could have a material adverse effect on our business, results of operations, cash flows, financial condition or prospects.

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We may not be able to accurately estimate the future supply and demand for our materials and equipment, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements or prices of components increase, we could incur additional costs or experience delays.

It is difficult to predict our future revenues and appropriately budget for our expenses, and our views as to industry trends that may emerge may prove false, which could affect our business. Currently, there is limited historical basis for making judgments on the demand for our materials or equipment, or our ability to develop, manufacture, and deliver our materials or equipment, or our profitability in the future. If we overestimate our requirements, our suppliers may have excess inventory, which indirectly would increase our costs. If we underestimate our requirements, our suppliers may have inadequate inventory, which could interrupt manufacturing of our materials or equipment and result in delays in shipments and revenues. In addition, lead times for materials that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each material at a given time. If we fail to order sufficient quantities of materials in a timely manner, the delivery of materials or equipment to our potential customers could be delayed, which would harm our business, financial condition and operating results.

Additionally, agreements for the purchase of certain components used in the manufacture of our materials and equipment may contain pricing provisions that are subject to adjustment based on changes in market prices of key components. Substantial increases in the prices for such components would increase our operating costs and could reduce our margins if we cannot recoup the increased costs. Any attempts to increase the announced or expected prices of our materials and equipment in response to increased costs of components could be viewed negatively by our potential customers and could adversely affect our business, prospects, financial condition or operating results.

We may not be able to establish supply relationships for necessary components or may be required to pay costs for components that are more expensive than anticipated, which could delay the introduction of our equipment and negatively impact our business.

As we expand our anode materials manufacturing capabilities, we will begin to rely on third-party suppliers for components and materials. Any disruption or delay in the supply of components or materials by our key third-party suppliers or pricing volatility of such components or materials could temporarily disrupt production of our anode materials until an alternative supplier is able to supply the required material. In such circumstances, we may experience prolonged delays, which may materially and adversely affect our results of operations, financial condition and prospects.

We may not be able to control fluctuation in the prices for these materials or negotiate agreement with suppliers on terms that are beneficial to us. Our business depends on the continued supply of certain proprietary materials for our materials and equipment. We are exposed to multiple risks relating to the availability and pricing of such materials and components. Substantial increases in the prices for our raw materials or components would increase our operating costs and materially impact our financial condition.

Currency fluctuations, trade barriers, extreme weather, pandemics, tariffs or shortages and other general economic or political conditions may limit our ability to obtain key components for our battery cell testing equipment or significantly increase freight charges, raw material costs and other expenses associated with our business, which could further materially and adversely affect its results of operations, financial condition and prospects.

If we are unable to attract and retain key employees and qualified personnel, our ability to compete could be harmed.

Our success depends on our ability to attract and retain our executive officers, key employees and other qualified personnel, and our operations may be severely disrupted if we lost their services. As we build our brand and become better known, there is increased risk that competitors or other companies will seek to hire our personnel. The failure to attract, integrate, train, motivate and retain such key personnel could seriously harm our business and prospects.

In addition, we are highly dependent on the services of Dr. Chris Burns, our Chief Executive Officer, and other senior technical and management personnel, including our executive officers, who would be difficult to replace. If Dr. Burns or other key personnel were to depart, we may not be able to successfully attract and retain

senior leadership necessary to grow our business. We do not currently maintain ''key person'' life insurance on the lives of our executives or any of our employees. This lack of insurance means that we may not receive adequate compensation for the loss of the services of these individuals.

Labor shortages, turnover, and labor cost increases could adversely impact our ability to scale-up manufacturing of our cathode and anode materials.

The COVID-19 pandemic has resulted in aggressive competition for talent, wage inflation and pressure to improve benefits and workplace conditions to remain competitive. Challenging conditions due to the COVID-19 pandemic and the highly competitive wage pressure resulting from the labor shortage make it difficult to attract and retain the best talent.

A sustained labor shortage or increased turnover rates within our employee base, caused by COVID-19 or as a result of general macroeconomic factors, could lead to increased costs, such as increased overtime or financial incentives to meet demand and increased wage rates to attract and retain employees, and could negatively affect our ability to scale-up manufacturing for our anode and cathode materials.

We may need to obtain funding from time to time to finance our growth and operations, which may not be available on acceptable terms, or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce or eliminate certain operations, and we may be unable to adequately control their costs.

We require significant capital to develop and grow our business and expect to incur significant expenses, including those relating to research and development, leases, regulatory compliance, sales and distribution as we build our brand and market our materials, equipment and services, and general and administrative costs as we scale our operations. Our ability to become profitable in the future will not only depend on our ability to successfully market our materials, equipment and services, but also to control their costs and may require us to obtain additional funding.

We anticipate that we will need to increase our product development, scientific and administrative headcount. In particular, we will require additional key staff for development as well as additional key financial and administrative personnel. Such an evolution may impact our strategic focus and our deployment and allocation of resources.

Our ability to manage our operations and growth effectively depends upon the continual improvement of our procedures, reporting systems and operational, financial and management controls. We may not be able to implement administrative and operational improvements in an efficient or timely manner and may discover deficiencies in existing systems and controls. If we do not meet these challenges, we may be unable to execute our business strategies and may be forced to expend more resources than anticipated addressing these issues.

While not currently part of our growth strategy, we may acquire additional technology and complementary businesses in the future. If we are unable to successfully manage our growth, the increased complexity of our operations, and the obtain and appropriately allocate and deploy resources, our business, financial position, results of operations and prospects may be harmed.

As of September 30, 2021, we had A$290,971,003 (US$218,119,193) in cash, cash equivalents and short-term investments. This number is unaudited and does not present all information necessary for an understanding of our financial condition as of September 30, 2021 and our results of operations for the three months ended September 30, 2021. PwC has not audited, reviewed, compiled or performed any procedures with respect to these results and does not express an opinion or any other form of assurance with respect thereto.

We believe that our existing cash and cash equivalents are sufficient to allow us to expand our production capacity to an expected 10,000 tonnes per year by 2023. We believe our recently consummated Phillips 66 Transaction will help support a capacity expansion of an additional 30,000 tonnes per year, which is expected to be completed by 2025. However, we may need to raise additional capital to further expand the production scale of our anode materials and to accelerate the scale-up of our cathode technology. Adequate additional financing may not be available to us on acceptable terms, or at all. If we raise additional funds through collaboration and licensing arrangements with third parties, we may have to relinquish some rights to our technologies or our product candidates on terms that may not be favorable to us. Any additional capital-raising

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efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our current and future product candidates, if approved. If we are unable to raise capital when needed or on acceptable terms, we may be forced to delay, reduce or altogether cease certain operations or future commercialization efforts.

Our business and future growth depend substantially on the growth in demand for electric vehicles and batteries for grid energy storage.

The demand for our materials and equipment is directly related to the market demand for electric vehicles and batteries for grid energy storage. In anticipation of an expected increase in the demand in these markets in the next few years, we are expanding our manufacturing capacity and seeking long-term strategic partnerships. However, the markets we have targeted may not achieve the level of growth we expect during the time frame projected. If markets fail to achieve our expected level of growth, we may have excess production capacity and may not be able to generate enough revenue to obtain profitability. If the market for electric vehicles or batteries for grid energy storage does not develop at the rate or in the manner or to the extent that we expect, or if critical assumptions that we have made regarding the efficiency of our energy solutions are incorrect or incomplete, our business, prospects, financial condition and operating results could be harmed.

We have been, and may in the future be, adversely affected by the global COVID-19 pandemic.

We face various risks related to epidemics, pandemics, and other outbreaks, including the recent COVID-19 pandemic. The impact of COVID-19, including changes in consumer and business behavior, pandemic fears and market downturns, and restrictions on business and individual activities, has created significant volatility in the global economy and led to reduced economic activity. The spread of COVID-19 has also impacted our potential and existing customers and suppliers by disrupting the manufacturing, delivery and overall supply chain and has led to a global decrease in battery sales in markets around the world. An extended period of supply chain disruption caused by the response to Covid-19 could impact our ability to order sufficient quantities of materials necessary for manufacturing our materials and may impact our ability to deliver customer orders in a timely manner.

COVID-19 has resulted in government authorities implementing numerous measures to try to contain the spread of the virus, such as travel bans and restrictions, quarantines, stay-at-home or shelter-in-place orders, and business shutdowns. For example, the NOVONIX Anode Materials production plant was temporarily shut down in April and May of 2020, and personnel operating restrictions and movements have been in place since that time. In addition, various aspects of our business cannot be conducted remotely, including many aspects of the development and manufacturing of our materials and equipment and the provision of our battery technology services. Measures required or recommended by government authorities may remain in place for a significant period of time and they are likely to continue to adversely affect our manufacturing plans, sales and marketing activities, business and results of operations. We may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, suppliers, vendors and business partners.

The extent to which the COVID-19 pandemic continues to impact our business, prospects and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including the duration and spread of the pandemic, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating activities can resume. If the COVID-19 pandemic subsides, we may continue to experience an adverse impact to our business as a result of the global economic impact, including any recession that has occurred or may occur in the future.

There are no comparable recent events that may provide guidance as to the effect of the COVID-19 pandemic, and, as a result, the ultimate impact of the COVID-19 pandemic or any other health epidemic is highly uncertain.

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Our projected operating and financial results relies in large part upon assumptions and analyses developed by us. If these assumptions or analyses prove to be incorrect, our actual operating results may be materially different from our projected results.

The projected financial and operating information appearing elsewhere in this registration statement reflect current estimates of future performance. Whether actual operating and financial results and business developments will be consistent with our expectations and assumptions as reflected in our projections depends on a number of factors, many of which are outside our control, including, but not limited to:

- success and timing of facility expansion activities;
- customer acceptance of our materials, equipment and services;
- competition, including from established and future competitors;
- whether we can obtain sufficient capital to expand our manufacturing capabilities and sustain and grow our business;
- our ability to manage our growth;
- whether we can manage relationships with key suppliers, customers and partners;
- cost and availability of electricity to meet operational needs;
- our ability to retain existing key management, integrate recent hires and attract, retain and motivate qualified personnel; and
- the overall strength and stability of domestic and international economies.

Unfavorable changes in any of these or other factors, most of which are beyond our control, could materially and adversely affect our business, results of operations and financial results.

We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.

We may become subject to product liability claims, even those without merit, which could harm our business, prospects, operating results, and financial condition. We face inherent risk of exposure to claims in the event our materials and equipment do not perform as expected or malfunction resulting in personal injury or death. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about our materials, equipment and business and inhibit or prevent commercialization of other future materials or equipment, which would have a material adverse effect on our brand, business, prospects and operating results. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any claim seeking significant monetary damages either in excess of our coverage, or outside of our coverage, may have a material adverse effect on our reputation, business and financial condition. We may not be able to secure additional product liability insurance coverage on commercially acceptable terms or at reasonable costs when needed, particularly if we do face liability for our materials and equipment, and are forced to make a claim under our policy.

Our systems and data may be subject to intentional disruption, other security incidents, or alleged violations of laws, regulations, or other obligations relating to data handling that could result in liability and adversely impact our reputation and future sales.

We expect to face significant challenges with respect to information security and maintaining the security and integrity of our systems and other systems used in our business, as well as with respect to the data stored on or processed by these systems. We are also at risk for interruptions, outages and breaches of: (a) operational systems, including business, financial, accounting, product development, data processing or production processes, owned by us or our third-party vendors or suppliers and (b) facility security systems, owned by us or our third-party vendors or suppliers. A cyber incident could be caused by disasters, insiders (through inadvertence or with malicious intent) or malicious third parties (including nation-states or nation-state supported actors) using sophisticated, targeted methods to circumvent firewalls, encryption and other security defenses, including hacking, fraud, trickery or other forms of deception. Advances in technology, an increased level of sophistication, and an increased level of expertise of hackers, new discoveries in the field of cryptography or others can result in a compromise or breach of the systems used in our business or of security measures used in our business to

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protect confidential information, personal information, and other data. The techniques used by cyber attackers change frequently and may be difficult to detect for long periods of time. Although we maintain information technology measures designed to protect ourselves against intellectual property theft, data breaches and other cyber incidents, such measures will require updates and improvements, and we cannot guarantee that such measures will be adequate to detect, prevent or mitigate cyber incidents. The implementation, maintenance, segregation and improvement of these systems requires significant management time, support and cost.

Our ability to conduct our business and operations depends on the continued operation of information technology and communications systems. Systems used in our business, including data centers and other information technology systems, are vulnerable to damage or interruption. Such systems could also be subject to break-ins, cyberattacks, sabotage and intentional acts of vandalism, as well as disruptions and security incidents as a result of non-technical issues, including intentional or inadvertent acts or omissions by employees, service providers, or others. Such cyber incidents could: materially disrupt operational systems; result in loss of trade secrets or other proprietary or competitively sensitive information; or compromise certain information of customers, employees, suppliers, or others; jeopardize the security of our facilities.

Moreover, there are inherent risks associated with developing, improving, expanding and updating current systems, including the disruption of our data management, procurement, production execution, finance, supply chain and sales and service processes. These risks may affect our ability to manage our data and inventory, procure parts or supplies or produce, sell, deliver and service our materials and equipment, adequately protect our intellectual property or achieve and maintain compliance with, or realize available benefits under, applicable laws, regulations and contracts. We cannot be sure that these systems upon which we rely, including those of our third-party vendors or suppliers, will be effectively implemented, maintained or expanded as planned. If we do not successfully implement, maintain or expand these systems as planned, our operations may be disrupted, our ability to accurately and timely report our financial results could be impaired, and deficiencies may arise in our internal control over financial reporting, which may impact our ability to certify our financial results. Moreover, our proprietary information or intellectual property could be compromised or misappropriated and our reputation may be adversely affected. If these systems do not operate as we expect them to, we may be required to expend significant resources to make corrections or find alternative sources for performing these functions.

We anticipate using outsourced service providers to help provide certain services, and any such outsourced service providers face similar security and system disruption risks as us. Some of the systems used in our business will not be fully redundant, and our disaster recovery planning cannot account for all eventualities. Any data security incidents or other disruptions to any data centers or other systems used in our business could result in lengthy interruptions in our service.

Our facilities or operations could be damaged or adversely affected as a result of natural disasters and other catastrophic events.

Our facilities or operations could be adversely affected by events, conditions and circumstances outside of our control, such as natural disasters, wars, health epidemics such as the ongoing COVID-19 pandemic, and other calamities. We cannot assure you that our backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide services or manufacture materials or equipment.

Moreover, our facilities located in Chattanooga, Tennessee, currently account for 100% of the production of our anode materials, and our facility in Bedford, Nova Scotia, currently accounts for 100% of the production of our battery testing equipment. As a result, any issues, whether within or beyond our control, at those facilities or in the surrounding area could have a particularly significant impact on our business performance and financial results.

Any global systemic political, economic and financial crisis (as well as the indirect effects flowing therefrom) could negatively affect our business, results of operations, and financial condition.

In recent times, several major systemic political, economic and financial crises negatively affected global business across a range of industries, including the energy storage industry. In addition, there have been political and trade tensions among a number of the world's major economies in recent years, which have resulted in the

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implementation of tariff and non-tariff trade barriers, including the use of export control restrictions against certain countries and individual companies. Prolongation or expansion of such trade barriers may result in a decrease in the growth of the global economy and the battery industry, and could cause turmoil in global markets that may result in declines in sales from which we generate our income through our materials, technologies and services. Also, any increase in the use of export control restrictions to target certain countries and companies, any expansion of the extraterritorial jurisdiction of export control laws in the jurisdiction in which we operate, or a complete or partial ban on products sales to certain companies could impact not only our ability to supply our materials, technologies and services to such customers, but also customers' demand for our materials, technologies and services.

Any future systemic political, economic or financial crisis or market volatility, including but not limited to, interest rate fluctuation, inflation or deflation and changes in economic, fiscal and monetary policies in major economies, could cause revenue or profits for the battery industry as a whole to decline dramatically, and if the economic conditions or financial conditions of our current or target customers were to deteriorate, the demand for our materials, technologies and services may decrease. Further, in times of market instability, sufficient external financing may not be available to us on a timely basis, on commercially reasonable terms to us, or at all. If sufficient external financing is not available when we need such financing to meet our capital requirements, we may be forced to curtail our expansion, modify plans or delay the deployment of new or expanded materials, technologies and services until we obtain such financing. Thus, further escalation of trade tensions, the use of export control restrictions as a non-tariff trade barrier or any future global systemic crisis could materially and adversely affect our results of operations.

From time to time, we may be involved in litigation, regulatory actions or government investigations and inquiries, which could have an adverse impact on our profitability and consolidated financial position.

We may be involved in a variety of litigation, other claims, suits, regulatory actions or government investigations and inquiries and commercial or contractual disputes that, from time to time, are significant. In addition, from time to time, we may also be involved in legal proceedings arising in the normal course of business including commercial or contractual disputes, warranty claims and other disputes with potential customers and suppliers; intellectual property matters; personal injury claims; environmental, health and safety issues; tax matters; and employment matters. From time to time, such legal proceedings may be commenced by a significant customer which may damage our relationship with such customer. Our significant customers generally are larger enterprises and may be able to or choose to devote greater resources to such legal proceedings. It is difficult to predict the outcome or ultimate financial exposure, if any, represented by these matters, and there can be no assurance that any such exposure will not be material. Such claims may also negatively affect our reputation. See also "—***We may become involved in lawsuits or other proceedings to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have a negative effect on the success of our business.***"

Loss of any leasehold interests in our tenements could limit our ability to mine these properties or result in significant unanticipated costs.

In Queensland, where our MDG Project is located, exploring or mining for graphite is unlawful without a tenement granted by the Queensland government. The grant and renewal of tenements are subject to a regulatory regime and each tenement is subject to certain conditions. We currently maintain three tenements in connection with the MDG Project. There is no certainty that an application for the grant of a new tenement or renewal of one or more of the existing tenements will be granted at all or on satisfactory terms or within expected timeframes. Further, the conditions attached to the tenements may change at the time they are renewed. There is a risk that we may lose title to any of our granted tenements if we are unable to comply with conditions or if the land that is subject to the tenements is required for public purposes. Our existing tenements have expirations ranging from October 19, 2022, to December 13, 2025, and, where renewal is required, there is a risk that the Queensland government may change the terms and conditions of such tenement upon renewal or refuse to grant the renewal of the tenement.

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Risks Related to Regulatory Matters

We are subject to substantial regulation and unfavorable changes to, or failure by us to comply with, these regulations could substantially harm our business and operating results.

Our materials, and the purchasers of our materials, are subject to regulation under international, federal, state and local laws, including export control laws. We expect to incur significant costs in complying with these regulations. Regulations related to the battery and EV industry and alternative energy are currently evolving and we face risks associated with changes to these regulations.

To the extent the laws change, our materials and equipment may not comply with applicable international, federal, state or local laws, which would have an adverse effect on our business. Compliance with changing regulations could be burdensome, time consuming, and expensive. To the extent compliance with new regulations is cost prohibitive, our business, prospects, financial condition and operating results would be adversely affected.

Internationally, there may be laws in jurisdictions we have not yet entered or laws we are unaware of in jurisdictions we have entered that may restrict our sales or other business practices. The laws in this area can be complex, difficult to interpret and may change over time. Continued regulatory limitations and other obstacles that may interfere with our ability to commercialize our materials and equipment could have a negative and material impact on our business, prospects, financial condition and results of operations.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations in various jurisdictions in which we conduct or in the future may conduct activities, including the U.S. Foreign Corrupt Practices Act (''FCPA''), the U.K. Bribery Act 2010, the Australian Criminal Code Act 1995 (''Criminal Code''), the Australian Anti-Money Laundering and Counter Terrorism Financing Act 2006, and other anti-corruption laws and regulations. The FCPA, the U.K. Bribery Act 2010, and the Criminal Code prohibit us and our officers, directors, employees and business partners acting on our behalf, including agents, from corruptly offering, promising, authorizing or providing anything of value, or providing benefit to a ''foreign official'', or (under the Criminal Code) another person with the intention this will benefit a ''foreign public official'', for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. The U.K. Bribery Act also prohibits non-governmental ''commercial'' bribery and soliciting or accepting bribes. A violation of these laws or regulations could adversely affect our business, results of operations, financial condition and reputation. Our policies and procedures that are designed to comply with these regulations may not be sufficient and our directors, officers, employees, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible.

Non-compliance with anti-corruption, anti-bribery, anti-money laundering or financial and economic sanctions laws could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition and reputation. In addition, changes in economic sanctions laws in the future could adversely impact our business. See ''***—Any global systemic political, economic and financial crisis (as well as the indirect effects flowing therefrom) could negatively affect our business, results of operations, and financial condition.''*** for more information.

We are subject to environmental, health and safety requirements which could adversely affect our business, results of operation and reputation.

Our facilities and operations are subject to numerous environmental, health and safety (''EHS'') laws and regulations which require significant capital investment on an ongoing basis. These laws and regulations regulate, among other things, the discharge of materials into the environment, air emissions, the handling and disposal of wastes, remediation of contaminated sites and other matters relating to worker and consumer health, and safety and to the protection of the environment. Non-compliance with applicable EHS laws could give rise to liability, including the potential for civil or criminal fines or penalties, unforeseen capital expenditures or other legal

liability. In addition, EHS laws or their enforcement may change or become more stringent over time which could increase our operating costs, subject us to additional liabilities and cause delays in our processes. We may also face liability for the remediation of contaminated sites, including at third-party contaminated sites where we or our predecessors in interest have sent waste for treatment or disposal. Remediation liability may be imposed without regard to whether we knew of, or caused, the release of such regulated substances. In addition, under environmental laws, we may be liable for the entire cost to remediate a contaminated site, even where multiple parties contributed to the contamination.

Our operations pose a number of safety risks which could result in the personal injury or death of our workers, fire or explosion, damage to machinery or materials and equipment, or production delays. For example, our processes utilize furnaces and equipment heated to extremely high temperatures as part of our manufacturing operations. We have policies and procedures in place to protect against health and safety incidents or damage to our facility and equipment in the event of a fire or other incident. Consequences of safety incidents may include litigation, regulatory action, increased insurance premiums, mandates to halt production, workers' compensation claims, or other liabilities, all of which may adversely impact our business, including harm to our reputation, finances or ability to operate.

In addition, our supply-chain and manufacturing processes rely on the use of fossil fuels for product materials and energy consumption. Changes in rules and regulations (e.g., greenhouse gas regulations, changes in air emission compliance requirements) applicable to us or entities in our supply-chain or stricter scrutiny of our sustainability performance by various stakeholders could require us to make changes to our operations which could increase our operating costs, cause delays or otherwise have an adverse impact on our business.

Risks Relating to Intellectual Property

Our success depends upon our ability to obtain and maintain intellectual property protection for our materials and technologies.

Our success will depend in significant part on our ability to establish and maintain adequate protection of our owned intellectual property, and the ability to commercialize materials and equipment resulting therefrom, without infringing the intellectual property rights of others. We may not be able to prevent unauthorized use of our intellectual property, which could harm our business and competitive position. We rely upon a combination of the intellectual property protections afforded by patent and trade secret laws in the United States, Canada, and other jurisdictions, as well as license agreements and other contractual protections, to establish, maintain and enforce rights in our proprietary technologies. In addition, we seek to protect our intellectual property rights through nondisclosure and invention assignment agreements with our employees and consultants, and through non-disclosure agreements with business partners and other third parties. Despite our efforts to protect our proprietary rights, third parties may attempt to copy or otherwise obtain and use our intellectual property. Monitoring unauthorized use of our intellectual property is difficult and costly, and the steps we have taken or will take to prevent misappropriation may not be sufficient.

Furthermore, our owned and in-licensed intellectual property rights may be subject to a reservation of rights by one or more third parties. In some instances, when new technologies are developed with government funding (and in particular, the U.S. government), the government may obtain certain rights in any resulting patents, including a non-exclusive license authorizing the government to use the invention or to have others use the invention on its behalf. These rights may permit the government to disclose our confidential information to third parties and to exercise march-in rights to use or allow third parties to use our licensed technology. For example, the United States federal government retains such rights in inventions produced with its financial assistance under the Bayh-Dole Act. The government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. We recently received a grant from the U.S. Department of Energy, which, once funds are received, we plan to use to develop certain products and technologies. As a result, such governmental authority may have certain rights, including march-in rights, to such patent rights and technology, under the Bayh-Dole Act or similar laws in other jurisdictions and our rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. Any exercise by the government of such rights or by any third party of its reserved rights could harm our competitive position, business, financial condition, results of operations and prospects.

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Our inability to protect our confidential information and trade secrets would harm our business and competitive position.

In addition to seeking patents for some of our technology and processes, we also rely substantially on trade secrets, including unpatented know-how, technology and other proprietary materials and information, to maintain our competitive position. We seek to protect these trade secrets, in part, by requiring employees to waive their intellectual property rights and to maintain confidentiality or non-disclosure obligations as set forth in our employee handbook or in our agreements with them. However, these steps may be inadequate, we may fail to enter into agreements with all such parties or any of these parties may breach the agreements and disclose our trade secrets and there may be no adequate remedy available for such breach of an agreement. We cannot assure you that our trade secrets will not be disclosed or that we can meaningfully protect our trade secrets. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time consuming, and the outcome is unpredictable. In addition, some courts both within and outside the United States may be less willing, or unwilling, to protect trade secrets. If a competitor lawfully obtained or independently developed any technology or information that we protect as trade secret, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position.

Our patent applications may not result in issued patents or our patent rights may be contested, circumvented, invalidated or limited in scope, any of which could have a material adverse effect on our ability to prevent others from interfering with our commercialization of our products.

In addition to taking other steps to protect our intellectual property, we currently hold one issued patent, we have applied for seven further patents, and we intend to continue to apply for, patents with claims covering our technologies and processes when and where we deem it appropriate to do so. We have filed patent applications in the United States, Canada and in certain non-U.S. jurisdictions to obtain patent rights to inventions we have developed, with claims directed to compositions of matter, methods of use and other technologies relating to our programs, including battery applications. There can be no assurance that any of these applications will result in patents being issued. In addition, there can be no assurance that any of our current and future patents will effectively protect our technologies and processes and effectively prevent others from commercializing competitive technologies, processes and products. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or in some cases not at all, until they are issued as a patent. Therefore, we cannot be certain that we or our current or future collaborators were the first to make the inventions claimed in our owned patent or pending patent applications, or that we or our current or future collaborators were the first to file for patent protection of such inventions. For a description of our patent portfolio, see ‘‘Business—Intellectual Property.’’

Any changes we make to our technologies or processes to cause them to have what we view as more advantageous properties may not be covered by our existing patent and patent applications, and we may be required to file new applications and/or seek other forms of protection for any such altered technologies or processes. Numerous patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. The patent landscape surrounding the technology underlying our technology and processes is potentially crowded, and there can be no assurance that we would be able to secure patent protection that would adequately cover an alternative to our current technologies or processes.

The patent prosecution process is expensive and time-consuming, and we and our current or future collaborators may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we or our current or future collaborators will fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection for them. Moreover, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain or enforce the patents, covering technology that we license to third parties and may be reliant on our current or future collaborators to perform these activities, which means that these patent applications may not be prosecuted, and these patents enforced, in a manner consistent with the best interests of our business. If our current or future collaborators fail to establish, maintain, protect or enforce such patents and other intellectual property rights, such rights may be reduced or eliminated. If our current or future collaborators are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised.

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Further, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. In recent years, these areas have been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our and our current or future collaborators' patent rights are highly uncertain. The legal protection afforded to inventors and owners of intellectual property in countries outside of the United States may not be as protective or effective as that in the United States and we may, therefore, be unable to acquire and enforce intellectual property rights outside the United States to the same extent as in the United States. Whether filed in the United States or abroad, our patent applications may be challenged or may fail to result in issued patents. In many non-U.S. countries, patent applications and/or issued patents, or parts thereof, must be translated into the native language. If our patent applications or issued patents are translated incorrectly, they may not adequately cover our technologies; in some countries, it may not be possible to rectify an incorrect translation, which may result in patent protection that does not adequately cover our technologies in those countries.

Filing, prosecuting, enforcing and defending patents in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States may be less extensive than those in the United States. In addition, the laws of some non-U.S. countries do not protect intellectual property rights to the same extent as federal and certain state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with ours and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

The requirements for patentability differ and certain countries have heightened requirements for patentability, requiring more disclosure in the patent application. In addition, certain countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we may have limited remedies if patents are infringed or if we are compelled to grant a license to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. Accordingly, our efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our technologies and processes.

Our success is heavily dependent on intellectual property rights, particularly patents. Obtaining and enforcing patents involves technological and legal complexity, and obtaining and enforcing patents is costly, time-consuming and inherently uncertain. The U.S. Supreme Court in recent years has issued rulings either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations or ruling that certain subject matter is not eligible for patent protection. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by Congress, the federal courts, the USPTO and equivalent bodies in non-U.S. jurisdictions, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patent and patents we may obtain in the future.

Patent reform laws, such as the Leahy-Smith America Invents Act, or the Leahy-Smith Act, as well as changes in how patent laws are interpreted, could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents.

Our lack of registered trademarks and trade names could potentially harm our business.

As of the date hereof, we do not have any registered trademarks owned by us, but we may pursue trademark registrations in the future. The unauthorized use or other violation of any of our trademarks or

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tradenames could diminish the brand recognition or value of our business which would have a material adverse effect on our financial condition and results of operation.

Trademarks and trade names distinguish our products and services from the products and services of others. If our potential future customers are unable to distinguish our products and services from those of other companies, we could lose sales and distributors to our competitors. We do not have any registered trademarks and trade names, so we must rely on common law rights in such trademarks or trade names, which are different in each jurisdiction, if any such rights exist. Many subtleties exist in product descriptions, offering and names that can easily confuse distributors and customers. This presents a risk of losing potential customers looking for our products and buying someone else's because they cannot differentiate between them.

If we do eventually file trademark applications, third parties may oppose our trademark applications or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. Further, there can be no assurance that competitors will not infringe our trademarks or that we will have adequate resources to enforce our trademarks.

We may be unable to obtain intellectual property rights or technology necessary to develop and commercialize our materials and equipment.

The patent landscape around our programs is complex, and there may be one or more third-party patents and patent applications containing subject matter that might be relevant to our programs. Depending on what claims may ultimately issue from these patent applications, and how courts construe the issued patent claims, as well as depending on the ultimate method of use of our processes, we may need to obtain a license to practice the technology claimed in such patents. There can be no assurance that such licenses will be available to us on commercially reasonable terms, or at all. If a third party does not offer us a necessary license or offers a license only on terms that are unattractive or unacceptable to us, we might be unable to develop and commercialize one or more of our programs, which would harm our business, financial condition and results of operations. Moreover, even if we obtain licenses to such intellectual property, but subsequently fail to meet our obligations under the relevant license agreements, or such license agreements are terminated for any other reasons, we may lose our rights to the technologies licensed under those agreements.

The licensing or acquisition of third-party intellectual property rights is an area in which many companies operate that have interests that are in conflict with ours, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment, or at all. If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant programs, which could harm our business, financial condition, results of operations and prospects.

We may become involved in lawsuits or other proceedings to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have a negative effect on the success of our business.

Third parties may infringe our patents or misappropriate or otherwise violate our intellectual property rights. In the future, we may initiate legal proceedings to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity or scope of intellectual property rights we own or control. Also, third parties may initiate legal proceedings against us to challenge the validity or scope of intellectual property rights we own, control or to which we have rights. These proceedings can be expensive and time-consuming and many of our adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating intellectual property rights we own, control or have rights to, particularly in countries where the laws may not protect those rights as fully as in the United States. Litigation could result in substantial costs and diversion of management resources, which could harm our business and financial results. In addition, if we initiated legal proceedings against a third party to enforce a patent, the

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defendant could counterclaim that such patent is invalid or unenforceable. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated, narrowed, held unenforceable or interpreted in such a manner that would not preclude third parties from entering the market with competing products.

Third-party pre-issuance submission to the USPTO, or opposition, derivation, revocation, reexamination, inter partes review or interference proceedings, or other pre-issuance or post-grant proceedings or other patent office proceedings or litigation in the United States or other jurisdictions provoked by third parties or brought by us, may be necessary to determine the inventorship, priority, patentability or validity of inventions with respect to our patents or patent applications. An unfavorable outcome could leave our technology or processes without patent protection, allow third parties to commercialize our technology and processes and compete directly with us, without payment to us, or could require us to obtain license rights from the prevailing party in order to be able to manufacture or commercialize our technologies or processes without infringing third-party patent rights. Our business could be harmed if the prevailing party in such a case does not offer us a license on commercially reasonable terms, or at all. Even if we obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future technologies.

We may not be aware of all third-party intellectual property rights potentially relating to our technologies or processes, or future technologies or processes. We are not aware of any facts that would lead us to conclude that the valid and enforceable claims of any third-party patents would reasonably be interpreted to cover our technologies or processes. As to pending third-party applications, we cannot predict with any certainty which claims will issue, if any, or the scope of such issued claims. Even if we believe third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of infringement, validity, enforceability or priority. A court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, which could materially and negatively affect our ability to commercialize any materials and equipment and any other technologies covered by the asserted third-party patents. If any such third-party patents (including those that may issue from such applications) were successfully asserted against us or other commercialization partners and we were unable to successfully challenge the validity or enforceability of any such asserted patents, then we and other commercialization partners may be prevented from commercializing our materials and equipment, or may be required to pay significant damages, including treble damages and attorneys' fees if we are found to willfully infringe the asserted patents, or obtain a license to such patents, which may not be available on commercially reasonable terms, or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing and royalty payments. Any of the foregoing would harm our business, financial condition and operating results.

Our existing patent and any future patents we obtain may not be sufficiently broad to prevent others from practicing our technologies or from developing or commercializing competing products. Furthermore, others may independently develop or commercialize similar or alternative technologies, or design around our patents. Our patents may be challenged, invalidated, circumvented or narrowed, or fail to provide us with any competitive advantages. In addition, we may not be aware of patents or pending or future patent applications that, if issued, would block us from commercializing our materials and equipment. Thus, we cannot guarantee that the technology and processes related to our materials and equipment, or our commercialization thereof, do not and will not infringe or otherwise violate any third party's intellectual property.

We may be subject to claims by third parties asserting misappropriation of intellectual property, or claiming ownership of what we regard as our own intellectual property.

Companies, organizations or individuals, including our current and future competitors, may hold or obtain patents, trademarks or other proprietary rights that would prevent, limit or interfere with our ability to make, use, develop or sell our products or processes, which could make it more difficult for us to operate our business. From time to time, we may receive inquiries from holders of patents, trademarks or other intellectual property inquiring whether we are infringing or violating their proprietary rights and/or seek court declarations that they do not infringe upon, misappropriate or otherwise violate our intellectual property rights or challenging our

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ownership or the validity or enforceability of our intellectual property rights. Companies holding patents or other intellectual property rights relating to batteries, electric motors or electronic power management systems may bring suits alleging infringement of such rights or otherwise asserting their rights and seeking licenses.

In addition, if we are determined to have infringed upon or violated a third party's intellectual property rights, we may be required to do one or more of the following:

- cease selling, incorporating or using products or processes that incorporate or use the challenged intellectual property;
- pay substantial damages or other monetary compensation;
- obtain a license from the holder of the infringed or violated intellectual property right, which license may not be available on reasonable terms if at all; or
- redesign our batteries or other products or processes material to our business in order to avoid infringement or other violation.

In the event of a successful claim of infringement or violation against us, or our failure or inability to obtain a license or other valid rights to the infringed technology, our business, prospects, operating results and financial condition could be materially adversely affected. In addition, any litigation or claims, whether or not valid, could result in substantial costs and diversion of resources and management's attention.

We also license patents and other intellectual property from third parties, and we may face claims that our use of this intellectual property infringes the rights of others. In such cases, we may seek indemnification from our licensors under our license contracts with them. However, our rights to indemnification may be unavailable or insufficient to cover our costs and losses or otherwise provide us with the continued rights to use such licensed intellectual property.

Although we seek to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed confidential information or intellectual property, including trade secrets or other proprietary information, of any such employee's former employer, or that third parties have an interest in our patents as an inventor or co-inventor. Litigation may be necessary to defend against these claims. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or the services of personnel or sustain other damages. Such intellectual property rights could be awarded to a third party, and we could be required to obtain a license from such a third party to commercialize our technology or materials. Such a license may not be available on commercially reasonable terms, or at all. Even if we successfully prosecute or defend against such claims, litigation could result in substantial costs and distract management.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to waive or assign to us any intellectual property rights thereto, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could harm our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily address all potential threats.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make products that are similar to ours or utilize similar technology but that are not covered by the claims of the patents that we exclusively license or may own in the future;
- we or our future collaborators might not have been the first to make the inventions covered by the issued patents and pending patent applications that we exclusively license or may own in the future;

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- we or our future collaborators might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or exclusively licensed intellectual property rights;
- it is possible that our pending patent applications or those that we may file in the future, including those that we have licensed, will not result in issued patents;
- issued patents to which we hold rights may be held invalid or unenforceable, including as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in major commercial markets in which we do not have sufficient patent rights to stop such sales;
- we may not develop additional proprietary technologies that are patentable;
- the patents of others may be asserted against our technologies in a manner that harms our business; and
- we may choose not to file a patent application in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such trade secrets or know-how.

Should any of these events occur, they could harm our business, financial condition, results of operations and prospects.

Risks Related to the ADSs

An active U.S. trading market may not develop.

While our ordinary shares have been listed on the Australian Securities Exchange, or the ASX, since December 2015, and trading on the OTCQX Best Market since September 2020, there has been no public market on a U.S. national securities exchange for our ordinary shares and, prior to the anticipated listing of the ADSs on the Nasdaq Global Market, there was no public market for the ADSs. There can be no assurance that an active trading market for the ADSs will develop, or be sustained. In the absence of an active trading market for the ADSs, investors may not be able to sell their ADSs.

The trading price and volume of the ADSs may be volatile, and purchasers of the ADSs could incur substantial losses.

The price and trading volumes of our ordinary shares and ADSs may be significantly affected by many factors, including:

- actual or anticipated fluctuations in our or our competitors' financial condition and operating results;
- variations in our financial performance from the expectations of market analysts;
- actual or anticipated changes in our growth rate relative to our competitors;
- competition from existing products or new products that may emerge;
- announcements by us or our competitors of significant business developments, acquisitions or expansion plans, strategic partnerships, joint ventures, collaborations or capital commitments;
- adverse results or delays in our or any of our competitors' products development;
- adverse regulatory decisions;
- the termination of a strategic alliance or the inability to establish additional strategic alliances;
- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- ADS price and volume fluctuations attributable to inconsistent trading volume levels of the ADSs;
- price and volume fluctuations in trading of our ordinary shares on the ASX;

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- short selling or other market manipulation activities;
- additions or departures of key management, or scientific or technology personnel;
- disruptions in our supply or manufacturing arrangements;
- disputes or other developments related to proprietary rights, including patents, litigation matters and our ability to obtain patent and other intellectual property protection for our technologies;
- litigation involving our company;
- announcement or expectation of additional debt or equity financing efforts;
- natural disasters or other calamities or disease outbreaks, such as the COVID-19 pandemic;
- sales of ordinary shares or the ADSs by us, our affiliates or our other shareholders; and
- general economic and market conditions.

In addition, equity markets generally have experienced, and may in the future experience, extreme price and volume fluctuations, and often these movements do not reflect the operational and financial performance of the listed companies concerned. In particular, share prices of companies in the battery industry have been highly volatile in the past and may continue to be highly volatile in the future. Our operations currently focus on battery materials, technology and services. Therefore, we are especially vulnerable to these factors to the extent that they continue to affect the battery industry. Fluctuations in the share markets in Australia and the United States, as well as macroeconomic conditions, could significantly affect the price of the ADSs. As a result of this volatility, investors may not be able to sell their ADSs at or above the price originally paid for the security.

These and other market and industry factors may cause the market price and demand for the ADSs to fluctuate, regardless of our actual operating performance, which may limit or prevent investors from readily selling their ADSs and may otherwise negatively affect the liquidity of the trading market for the ADSs.

Future sales of our ordinary shares or ADSs or the anticipation of future sales could reduce the market price of our ordinary shares or ADSs.

Sales of a substantial number of shares or ADSs in the public market, or the perception that such sales could occur, could adversely affect the market price of our ordinary shares and the ADSs and may make it more difficult for you to sell your ADSs at a time and price that you deem appropriate. We have recently raised funds through the sales of our ordinary shares. For instance, we raised A$115 million in March 2021 and A$16 million in May 2021 through placements of our ordinary shares. In addition, in September 2021, Phillips 66 acquired 77,962,578 ordinary shares for an aggregate purchase price of US$150 million.

The ordinary shares subject to subscription under outstanding options and performance rights exercisable for ordinary shares will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. Sales of a large number of the ordinary shares in the public market could depress the market price of the ADSs. If these additional ordinary shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of the ordinary shares and ADSs could decline substantially, which could impair our ability to raise additional capital through the issuance of ordinary shares, ADSs or other securities in the future, and may cause you to lose part or all of your investment.

If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable reports about our business, the price of the ADSs and their trading volume could decline.

The trading market for the ADSs depends in part on the research and reports that securities or industry analysts publish about us or our business. If securities or industry analysts do not cover our company, the trading price for the ADSs could be negatively impacted. If one or more of the analysts who covers us downgrades our equity securities or publishes incorrect or unfavorable research about our business, the price of the ADSs would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, or downgrades our securities, demand for the ADSs could decrease, which could cause the price of the ADSs or their trading volume to decline.

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We do not currently intend to pay dividends on our securities and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the ADSs.

We have not declared or paid any cash dividends on our ordinary shares since our listing on the ASX and do not currently intend to do so for the foreseeable future.

We currently intend to invest our future earnings, if any, to fund our operations and growth. Therefore, you are not likely to receive any dividends on your ADSs for the foreseeable future and the success of an investment in the ADSs will depend upon any future appreciation in its value. Consequently, investors may need to sell all or part of their holdings of the ADSs after price appreciation, which may never occur, as the only way to realize any future gains on their investment. There is no guarantee that the ADSs will appreciate in value or even maintain the price at which you have purchased them. Investors seeking cash dividends should consider not purchasing the ADSs.

While we do not anticipate paying any cash dividends on our ordinary shares in the foreseeable future, if such a dividend is declared, the depositary for the ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of our ordinary shares your ADSs represent. However, in accordance with the limitations set forth in the deposit agreement, it may be unlawful or impractical to make a distribution available to holders of ADSs. We have no obligation to take any other action to permit the distribution of the ADSs, ordinary shares, rights or anything else to holders of the ADSs. This means that you may not receive the distributions we make on our ordinary shares or any value from them if it is unlawful or impractical to make them available to you. These restrictions may negatively impact the value of your ADSs. In addition, exchange rate fluctuations may affect the amount of Australian dollars that we are able to distribute, and the amount in U.S. dollars that our shareholders receive upon the payment of cash dividends or other distributions we declare and pay in Australian dollars, if any. These factors could harm the value of the ADSs, and, in turn, the U.S. dollar proceeds that holders receive from the sale of the ADSs.

The dual listing of our ordinary shares and the ADSs may negatively impact the liquidity and value of the ADSs.

After the ADSs are listed on the Nasdaq Global Market, our ordinary shares will continue to be listed on the ASX. We cannot predict the effect of this dual listing on the value of our ordinary shares and ADSs. However, the dual listing of our ordinary shares and the ADSs may dilute the liquidity of these securities in one or both markets and may negatively impact the development of an active trading market for the ADSs in the United States. The price of the ADSs could also be negatively impacted by trading in our ordinary shares on the ASX.

U.S. investors may have difficulty enforcing civil liabilities against our company, our directors or members of senior management and the experts named in this registration statement.

Certain members of our senior management and board of directors named in this registration statement are non-residents of the United States, and a substantial portion of the assets of such persons are located outside the United States. As a result, it may be impracticable to serve process on such persons in the United States or to enforce judgments obtained in U.S. courts against them based on civil liability provisions of the securities laws of the United States. Even if you are successful in bringing such an action, there is doubt as to whether Australian courts would enforce certain civil liabilities under U.S. securities laws in original actions or judgments of U.S. courts based upon these civil liability provisions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Australia or elsewhere outside the United States. An award for monetary damages under U.S. securities laws would be considered punitive if it does not seek to compensate the claimant for loss or damage suffered and is intended to punish the defendant. The enforceability of any judgment in Australia will depend on the particular facts of the case as well as the laws and treaties in effect at the time. The United States and Australia do not currently have a treaty or statute providing for recognition and enforcement of the judgments of the other country (other than arbitration awards) in civil and commercial matters.

As a result, our public shareholders may have more difficulty in protecting their interests through actions against us, our management or our directors than would shareholders of a corporation incorporated in a

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jurisdiction in the United States. In addition, as a company incorporated in Australia, the provisions of the Corporations Act 2001 (Cth), or the Corporations Act, regulate the circumstances in which shareholder derivative actions may be commenced, which may be different, and in many ways less permissive, than for companies incorporated in the United States.

Australian takeover laws may discourage takeover offers being made for us or may discourage the acquisition of a significant position in our ordinary shares or ADSs.

We are incorporated in Australia and are subject to the takeover laws of Australia. Among other things, we are subject to the Corporations Act 2001 (Cth), or the Corporation Act. Subject to a range of exceptions, the takeover provisions in the Corporations Act prohibit the acquisition of a direct or indirect interest in our issued voting shares if the acquisition of that interest will lead to a person's voting power in us increasing from 20% or below to more than 20%, or increasing from a starting point that is above 20% and below 90%. Australian takeover laws may discourage takeover offers being made for us or may discourage the acquisition of a significant position in our ordinary shares. This may have the ancillary effect of entrenching our board of directors and may deprive or limit our shareholders' opportunity to sell their ordinary shares. See ''Description of Share Capital—Change of Control.''

Our Constitution and Australian laws and regulations applicable to us may differ from those which apply to a U.S. corporation.

As an Australian company we are subject to different corporate requirements than a corporation organized under the laws of the United States. Our Constitution, as well as the Corporations Act, sets forth various rights and obligations that apply to us as an Australian company and which may not apply to a U.S. corporation. These requirements may operate differently than those which apply to many U.S. companies. You should carefully review the summary of these matters set forth under ''Description of Share Capital'' as well as our Constitution, which is included as an exhibit to the registration statement of which this registration statement forms a part, prior to investing in our securities.

Holders of ADSs will not be directly holding our ordinary shares.

A holder of ADSs will not be treated as one of our shareholders and will not have direct shareholder rights, unless they surrender the ADSs to receive the ordinary shares underlying their ADSs in accordance with the deposit agreement and applicable laws and regulations. Our Constitution and Australian law govern our shareholder rights. The depositary, through the custodian or the custodian's nominee, will be the holder of the ordinary shares underlying ADSs. The deposit agreement among us, the depositary and holders of ADSs, and all other persons directly and indirectly holding ADSs, sets out ADS holder rights, as well as the rights and obligations of us and the depositary. See ''Description of Securities Other Than Equity Securities – American Depositary Shares.''

Your right as a holder of ADSs to participate in any future preferential subscription rights offering or to elect to receive dividends in ordinary shares may be limited, which may cause dilution to your holdings.

The deposit agreement provides that the depositary will not make rights available to you unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act or exempted from registration under the Securities Act. If we offer holders of our ordinary shares the option to receive dividends in either cash or shares, under the deposit agreement the depositary may require satisfactory assurances from us that extending the offer to holders of ADSs does not require registration of any securities under the Securities Act before making the option available to holders of ADSs. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, ADS holders may be unable to participate in our rights offerings or to elect to receive dividends in shares and may experience dilution in their holdings. In addition, if the depositary is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, it will allow the rights to lapse, in which case you will receive no value for these rights. Under the terms of our subscription agreement with Phillips 66, Phillips 66 also has certain rights to be notified of, and/or participate in, issuance of shares by the Company, which opportunities may not be available to you or other holders of ADSs.

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You may not be able to exercise your right to vote the ordinary shares underlying your ADSs.

Holders of ADSs may exercise voting rights with respect to the ordinary shares represented by the ADSs only in accordance with the provisions of the deposit agreement. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares, the depositary will fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon timely receipt of notice from us, if we so request, the depositary shall distribute to the holders as of the record date (i) the notice of the meeting or solicitation of consent or proxy sent by us and (ii) a statement as to the manner in which instructions may be given by the holders.

You may instruct the depositary to vote the ordinary shares underlying your ADSs. Otherwise, you will not be able to exercise your right to vote, unless you withdraw the ordinary shares underlying the ADSs you hold. However, you may not know about the meeting far enough in advance to withdraw those ordinary shares in time to vote them yourself. If we ask for your instructions, the depositary, upon timely notice from us, will notify you of the upcoming vote and arrange to deliver our voting materials to you and will try to vote ordinary shares as you instruct. We cannot guarantee you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your ordinary shares or to withdraw your ordinary shares so that you can vote them yourself.

Under our Constitution, any resolution to be considered at a meeting of the shareholders shall be decided on a show of hands unless a poll is demanded in accordance with the terms of our Constitution. A poll may be demanded before a vote is taken, or, in the case of a vote taken on a show of hands, immediately before or immediately after, the declaration of the result of the show of hands. Under voting by a show of hands, the depositary will vote (or cause the custodian to vote) all ordinary shares held on deposit at that time in accordance with the voting instructions received from a majority of holders of ADSs who provide timely voting instructions.

You may be subject to limitations on the transfer of your ADSs and the withdrawal of the underlying ordinary shares.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of your ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason subject to your right to surrender your ADSs and receive the underlying ordinary shares. Temporary delays in the surrendering of your ADSs and receipt of the underlying ordinary shares may arise because the depositary has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares. In addition, you may not be able to surrender your ADSs and receive the underlying ordinary shares when you owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities. See ''Description of Securities Other Than Equity Securities – American Depositary Shares.''

ADS holders' rights to pursue claims is limited by the terms of the deposit agreement.

Section 22 of the Securities Act creates concurrent jurisdiction for U.S. federal and state courts over all causes of action arising under the Securities Act. Accordingly, both U.S. state and federal courts have jurisdiction to entertain such claims. However, the deposit agreement provides that only the state and federal courts in the State of New York shall have exclusive jurisdiction over any suit, action or proceeding against or involving us or the depositary, arising out of or relating in any way to the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs. The enforceability of similar federal court choice of forum provisions has been challenged in legal proceedings in the United States, and it is possible that a court could find this type of provision to be inapplicable or unenforceable. If a court were to find the federal choice of forum provision contained in the deposit agreement to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. If upheld, the forum selection clause in the deposit agreement may limit a security-holder's ability to bring a claim against us, our directors and officers, the

depositary, and potentially others in his or her preferred judicial forum, and this limitation may discourage such lawsuits. This exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act. Any person or entity acquiring any interest in any of our ordinary shares or the ADSs shall be deemed to have notice of and consented to the foregoing provisions. Holders of our ordinary shares or the ADSs will not be deemed to have waived our compliance with the U.S. federal securities laws and the regulations promulgated thereunder pursuant to the exclusive forum provision in the deposit agreement.

In addition, the deposit agreement provides that holders and beneficial owners of ADSs, including those holders and owners who acquired ADSs in secondary transactions, irrevocably waive the right to a trial by jury in any legal proceeding arising out of or relating to the deposit agreement or the ADSs, including in respect of claims under U.S. federal securities laws, against us or the depositary to the fullest extent permitted by applicable law. If this jury trial waiver provision is prohibited by applicable law, an action could nevertheless proceed under the terms of the deposit agreement with a jury trial. To our knowledge, the enforceability of a jury trial waiver under the U.S. federal securities laws has not been finally adjudicated by a federal court. However, we believe that a jury trial waiver provision is generally enforceable under the laws of the State of New York, which govern the deposit agreement, by a court of the State of New York or a federal court, which have non-exclusive jurisdiction over matters arising under the deposit agreement, applying such law. In determining whether to enforce a jury trial waiver provision, New York courts and federal courts will consider whether the visibility of the jury trial waiver provision within the agreement is sufficiently prominent such that a party has knowingly waived any right to trial by jury. We believe that this is the case with respect to the deposit agreement and the ADSs. In addition, New York courts will not enforce a jury trial waiver provision in order to bar a viable setoff or counterclaim sounding in fraud or one which is based upon a creditor's negligence in failing to liquidate collateral upon a guarantor's demand, or in the case of an intentional tort claim (as opposed to a contract dispute), none of which we believe are applicable in the case of the deposit agreement or the ADSs.

No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with any provision of the applicable U.S. federal securities laws. If you or any other holder or beneficial owner of ADSs brings a claim against us or the depositary in connection with such matters, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and/or the depositary. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims, and the venue of the hearing.

As the jury trial waiver relates to claims arising out of or relating to the ADSs or the deposit agreement, we believe that the waiver would likely continue to apply to ADS holders or beneficial owners who withdraw the ordinary shares from the ADS facility with respect to claims arising before the cancellation of the ADSs and the withdrawal of the ordinary shares, and the waiver would likely not apply to ADS holders or beneficial owners who subsequently withdraw the ordinary shares represented by ADSs from the ADS facility with respect to claims arising after the withdrawal. However, to our knowledge, there has been no case law on the applicability of the jury trial waiver to ADS holders or beneficial owners who withdraw the ordinary shares represented by the ADSs from the ADS facility.

We and the depositary are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, and we may terminate the deposit agreement, without the prior consent of the ADS holders.

We and the depositary are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement, without the prior consent of the ADS holders. In the event that the terms of an amendment are materially prejudicial to ADS holders' substantial rights, ADS holders will only receive 30 days' advance notice of the amendment, and no prior consent of the ADS holders is required under the deposit agreement. Furthermore, we may decide to terminate the ADS facility at any time for any reason, or the depositary agent may on its own initiative terminate the deposit agreement. If the ADS facility will terminate, ADS holders will receive at least 30 days' prior notice, but no prior consent is required from them. Under the

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circumstances that we decide to make an amendment to the deposit agreement that is materially prejudicial to the substantial rights of the ADS holders or terminate the deposit agreement, the ADS holders may choose to sell their ADSs or surrender their ADSs and become direct holders of the underlying ordinary shares, but will have no right to any compensation whatsoever.

ADS holders have limited recourse if we or the depositary fail to meet our respective obligations under the deposit agreement.

The deposit agreement expressly limits our obligations and liability and those of the depositary. We and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith;
- are not liable if we are or it is prevented or delayed by law or circumstances beyond our or its control from performing our or its obligations under the deposit agreement;
- are not liable if we exercise or it exercises discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any consequential or punitive damages for any breach of the terms of the deposit agreement; and
- may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person.

These provisions of the deposit agreement limit the ability of holders of the ADSs to obtain recourse if we or the depositary fail to meet our respective obligations under the deposit agreement.

As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws that apply to public companies that are not foreign private issuers.

We are a foreign private issuer, as defined in the SEC's rules and regulations and, consequently, we are not subject to all of the disclosure requirements applicable to public companies organized within the United States. For example, we are exempt from certain rules under the Exchange Act that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act, including the U.S. proxy rules under Section 14 of the Exchange Act. In addition, our senior management and directors are exempt from the reporting and ''short-swing'' profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, while we currently make annual and semi-annual filings with respect to our listing on the ASX and expect to file financial reports on an annual and semi-annual basis, we will not be required to file annual and current reports and financial statements with the SEC as frequently or as promptly as U.S. domestic companies whose securities are registered under the Exchange Act and will not be required to file quarterly reports on Form 10-Q or current reports on Form 8-K under the Exchange Act. We will also be exempt from the provisions of Regulation FD, which prohibits the selective disclosure of material nonpublic information to, among others, broker-dealers and holders of a company's securities under circumstances in which it is reasonably foreseeable that the holder will trade in the company's securities on the basis of the information. In addition, foreign private issuers are not required to file their annual report on Form 20-F until four months after the end of each fiscal year.

These exemptions and leniencies will reduce the frequency and scope of information and protections to which you are entitled as an investor and there may be less publicly available information concerning our company than there would be if we were not a foreign private issuer.

As a foreign private issuer, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance listing standards and these practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards.

As a foreign private issuer and following the listing of the ADSs on the Nasdaq Global Market, we will be subject to their corporate governance listing standards. However, the governance rules of Nasdaq permit foreign private issuers to follow the corporate governance practices of their home country. Some corporate governance

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practices in Australia may differ from Nasdaq corporate governance listing standards. For example, we could include non-independent directors as members of our Remuneration Committee, and our independent directors may not necessarily hold regularly scheduled meetings at which only independent members of the board of directors are present. In addition, the corporate governance practice in our home country, Australia, does not require a majority of our board to consist of independent directors (although it is recommended) or the implementation of a nominating and corporate governance committee (although the establishment of a nominating committee is also recommended). Currently, we intend to follow home country practice to the maximum extent possible. Therefore, our shareholders may be afforded less protection than they otherwise would have under corporate governance listing standards applicable to U.S. domestic issuers. For an overview of our corporate governance practices, see ''Board Practices.''

We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.

While we currently qualify as a foreign private issuer, the determination of foreign private issuer status is made annually based on the last business day of an issuer's most recently completed second fiscal quarter and, accordingly, our next determination will be made based on information as of December 31, 2021. In the future, we would lose our foreign private issuer status if we to fail to meet the requirements necessary to maintain our foreign private issuer status as of the relevant determination date. For example, if 50% or more of our securities are held by U.S. residents and more than 50% of our senior management or directors are residents or citizens of the United States, we could lose our foreign private issuer status. As of September 30, 2021, approximately 15.3% of our outstanding ordinary shares are held by U.S. residents.

The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly higher. If we cease to be a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects than the forms available to a foreign private issuer. We would be required under current SEC rules to prepare our financial statements in accordance with U.S. GAAP rather than IFRS, and modify certain of our policies to comply with corporate governance practices required of U.S. domestic issuers. Such conversion of our financial statements to U.S. GAAP would involve significant time and cost. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers such as the ones described above and exemptions from procedural requirements related to the solicitation of proxies.

We are an "emerging growth company" under the JOBS Act and will be able to avail ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make our ordinary shares and ADSs less attractive to investors.

We are an ''emerging growth company,'' as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not ''emerging growth companies,'' including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We cannot predict if investors will find the ADSs less attractive because we may rely on these exemptions. If some investors find the ADSs less attractive as a result, there may be a less active trading market for the ADSs and the price of the ADSs may be more volatile. We may take advantage of these exemptions until such time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest to occur of (i) the last day of the fiscal year in which we have more than US$1.07 billion in annual revenue; (ii) the last day of the fiscal year in which we qualify as a ''large accelerated filer''; (iii) the date on which we have, during the previous three-year period, issued more than US$1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year in which the fifth anniversary of our first sale of common equity securities pursuant to an effective registration statement under the Securities Act.

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We will incur significant increased costs as a result of operating as a company with ADSs that are publicly traded in the United States, and our management will be required to devote substantial time to new compliance initiatives.

As a company with ADSs that will be publicly traded in the United States, we will incur significant legal, accounting, insurance, administrative and other expenses that we did not previously incur. In addition, the Sarbanes-Oxley Act, Dodd-Frank Wall Street Reform and Consumer Protection Act and related rules implemented by the SEC and Nasdaq have imposed various requirements on public companies listed in the United States including requiring establishment and maintenance of effective disclosure and financial controls. We are currently evaluating and monitoring developments with respect to these rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

Our current management team has limited experience managing and operating a company that has publicly traded securities in the United States. Our management team may not successfully or effectively manage our transition to a public company listed in the United States that will be subject to significant regulatory oversight and reporting obligations under U.S. federal securities laws. It will need to divert attention from operational and other business matters to devote a substantial amount of time to these compliance initiatives, and we will need to add additional personnel and build our internal compliance infrastructure. Their limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities which will result in less time being devoted to the management and growth of our Company. We may not have adequate personnel with the appropriate level of knowledge, experience, and training in the accounting policies, practices or internal controls over financial reporting required of public companies in the United States. The development and implementation of the standards and controls necessary for us to achieve the level of accounting standards required of a public company in the United States may require costs greater than expected. It is possible that we will be required to expand our employee base and hire additional employees to support our operations as a public company which will increase our operating costs in future periods.

Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. These laws and regulations could also make it more difficult and expensive for us to attract and retain qualified persons to serve on our board of directors, our board committees or as our senior management. Furthermore, if we are unable to satisfy our obligations as a public company listed in the United States, we could be subject to delisting of the ADSs, fines, sanctions and other regulatory action and potentially civil litigation. Failure to comply or adequately comply with any laws, rules or regulations applicable to our business may result in fines or regulatory actions, which may adversely affect our business, results of operation or financial condition and could result in delays in achieving or maintaining an active and liquid trading market for the ADSs.

We identified material weaknesses in our internal control over financial reporting in connection with the preparation of our financial statements for the fiscal year ended June 30, 2021, and we may identify additional material weaknesses in the future that may cause us to fail to meet our reporting obligations or result in material misstatements of our financial statements. If we fail to implement and maintain an effective system of internal controls to remediate our material weaknesses over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence in our company and the market price of the ADSs may be negatively impacted.

We are not currently required to comply with the rules of the SEC implementing Section 404 of the Sarbanes-Oxley Act of 2002 the (''Sarbanes-Oxley Act'') and therefore we and our independent registered public accounting firm were not required to, and did not, make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which will require management to certify financial and other information in our SEC reports and provide an annual management report on the effectiveness of control over financial reporting. We will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. As an emerging growth company, our independent registered public accounting firm will generally not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until we are no longer an emerging growth company (but in no case earlier than the year following our first annual report required to be filed with the SEC). If our internal control over financial reporting is not effective, management will be required to state that in its report on

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internal control over financial reporting and our independent registered public accounting firm will issue an adverse report with respect to the effectiveness of internal control over financial reporting.

Our management has not completed an assessment of the effectiveness of our internal control over financial reporting, and our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. In connection with the preparation of our financial statements as of and for the years ended June 30, 2021 and 2020, we identified certain control deficiencies in the design and implementation of our internal control over financial reporting that constituted material weaknesses. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Our evaluation was based on the Committee of Sponsoring Organizations of the Treadway Commission (''COSO'') Internal Control—Integrated Framework (2013).

The material weaknesses identified by management relate to the following:

- Limited personnel in our accounting and finance functions have resulted in our inability to establish sufficient segregation of duties across the key business and financial processes of our organization;
- Lack of appropriately designed, implemented and documented procedures and controls to allow us to achieve complete, accurate and timely financial reporting, including controls over the preparation and review of account reconciliations and journal entries, and controls over information technology including access and program change management to ensure access to financial data is adequately restricted to appropriate personnel; and
- Lack of personnel with the appropriate knowledge and experience related to SEC reporting requirements to enable us to design and maintain an effective financial reporting process.

As of the date of this registration statement these remain material weaknesses. We cannot assure you that the measures that we have taken, and that will be taken, to remediate these material weaknesses will, in fact, remedy the material weaknesses or will be sufficient to prevent future material weaknesses from occurring. We also cannot assure you that we have identified all of our existing material weaknesses. Material weaknesses may still exist when we report on the effectiveness of our internal control over financial reporting as required under Section 404 of the Sarbanes-Oxley Act.

As part of our plan to remediate these material weaknesses we intend to implement a number of measures to address the material weaknesses that have been identified including: (i) hiring additional accounting and financial reporting personnel with SEC reporting experience, (ii) expanding the capabilities of existing accounting and financial reporting personnel through training and education in SEC rules and regulations, (iii) establishing effective monitoring and oversight controls for non-recurring and complex transactions designed to ensure the accuracy and completeness of the Group's consolidated financial statements and related disclosures, (iv) implementing formal processes and controls to identify, monitor and mitigate segregation of duties conflicts, and (v) improving our IT systems and monitoring of the IT function.

The presence of material weaknesses could result in financial statement errors which, in turn, could lead to errors in our financial reports or delays in our financial reporting, which could require us to restate our financial statements or result in our auditors issuing a qualified audit report. Remediating material weaknesses will absorb management time and will require us to incur additional expenses, which could have a negative effect on the trading price of our ordinary shares and the ADSs. In order to establish and maintain effective disclosure controls and procedures and internal controls over financial reporting, we will need to expend significant resources and provide significant management oversight. Developing, implementing and testing changes to our internal controls may require specific compliance training of our directors and employees, entail substantial costs in order to modify our existing accounting systems, take a significant period of time to complete and divert management's attention from other business concerns. These changes may not, however, be effective in establishing and maintaining adequate internal controls.

It is possible that, had we and our independent registered public accounting firm performed a formal assessment of the effectiveness of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses may have been identified.

If either we are unable to conclude that we have effective internal controls over financial reporting or our independent registered public accounting firm are unable to provide us with an unqualified report on the

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effectiveness of our internal controls over financial reporting as required by Section 404(b) of the Sarbanes-Oxley Act, investors may lose confidence in our operating results, the price of our ordinary shares and the ADSs could decline and we may be subject to litigation or regulatory enforcement actions. In addition, if we are unable to meet the requirements of Section 404 of the Sarbanes-Oxley Act, we may not be able to remain listed on Nasdaq.

We currently report our financial results under IFRS, which differs in certain significant respect from U.S. generally accepted accounting principles, or U.S. GAAP.

Currently we report our financial statements under IFRS. There have been and there may in the future be certain significant differences between IFRS and U.S. GAAP, and those difference may be material. As a result, our financial information and reported earnings for historical or future periods could be significantly different if they were prepared in accordance with U.S. GAAP. In addition, we do not intend to provide a reconciliation between IFRS and U.S. GAAP unless it is required under applicable law. As a result, you may not be able to meaningfully compare our financial statements under IFRS with those companies that prepare financial statements under U.S. GAAP.

We are subject to risks associated with currency fluctuations, and changes in foreign currency exchange rates could impact our results of operations.

Our ordinary shares are quoted in Australian dollars on the ASX and the ADSs will be quoted in U.S. dollars. In the past year, the Australian dollar has generally strengthened against the U.S. dollar; however, this trend may not continue and may be reversed. Any significant change in the value of the Australian dollar may have a negative effect on the value of the ADSs in U.S. dollars. In particular, if the Australian dollar weakens against the U.S. dollar, then, if we decide to convert our Australian dollars into U.S. dollars for any business purpose, appreciation of the U.S. dollar against the Australian dollar would have a negative effect on the U.S. dollar amount available to us. Consequently, appreciation or depreciation in the value of the Australian dollar relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations. As a result of such foreign currency fluctuations, it could be more difficult to detect underlying trends in our business and results of operations.

Risks Related to Tax Matters

Our ability to utilize our net operating losses to offset future taxable income may be prohibited or subject to certain limitations.

Prior or future changes in our ownership could limit our ability to use our net operating losses (“NOLs”) to offset future taxable income. In general, in the United States, Section 382 of the Internal Revenue Code of 1986, as amended, provides an annual limitation with respect to the ability of a corporation to utilize its tax attributes, including its NOLs, against future taxable income in the event of a change in ownership. The use of tax losses incurred prior to a change in ownership may also be limited in Australia. We have not determined whether we have undergone a change in ownership for United States or Australian tax purposes, and it is possible that we may have undergone such a change previously or may undergo such a change as a result of future transactions in our stock (many of which are outside our control). If it is determined that we have previously experienced such an ownership change, or if we undergo one or more ownership changes as a result of future transactions, we may be unable to use all or a portion of our NOLs to offset our future taxable income in the United States or Australia. Any limitations on our ability to use our NOLs may cause income taxes to be paid earlier than otherwise would be paid if such limitations were not in effect and could cause such NOLs to expire unused, in each case, reducing or eliminating the benefit of such NOLs. This could adversely affect our financial condition and operating results.

If we are a passive foreign investment company, there could be adverse U.S. federal income tax consequences to U.S. holders.

Generally, we will be a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes for any taxable year in which, after applying certain look-through rules with respect to the income and assets of our subsidiaries, either: (1) at least 75% of our gross income is “passive income” or (2) at least 50% of the average quarterly value of our total gross assets (which would generally be measured by fair market value of our assets) is

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attributable to assets that produce "passive income" or are held for the production of "passive income." Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions and the excess of gains over losses from the disposition of assets which produce passive income.

Based on our current and anticipated operations and composition of our assets and income, we believe that we should not be a PFIC for the current taxable year, and currently do not expect to become a PFIC in the foreseeable future. However, the determination of PFIC status is a factual determination that must be made annually and cannot be made until the close of a taxable year. In particular, our PFIC status may be determined in large part based on the market price of the ADSs and ordinary shares. The market price of the ADSs and ordinary shares may fluctuate, and a significant decrease in the market price could cause us to be treated as a PFIC. Moreover, the determination of PFIC status depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Accordingly, there can be no assurance that we would not be a PFIC for the current taxable year or any future year.

If we were to be a PFIC, a U.S. holder would be subject to increased tax liability (generally including an interest charge on certain taxes treated as having been deferred under the PFIC rules) on any gain realized on a sale or other disposition of the ADSs or ordinary shares and on the receipt of certain "excess distributions" received with respect to the ADSs or ordinary shares, unless such U.S. holder makes certain elections. One such election, the "QEF Election," will be unavailable to a U.S. holder because we do not intend to provide information that a U.S. holder would need to make a valid QEF Election.

U.S. holders should consult their tax advisors regarding the potential application of the PFIC rules to their ADSs or ordinary shares, and should see the discussion below under "Material U.S. Federal Income Tax and Australian Tax Considerations—U.S. Federal Income Tax Considerations."

If a U.S. person is treated as owning at least 10% of our ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.

If a U.S. person is treated as owning, directly or indirectly, at least 10% of the value or voting power of our equity, such U.S. person would be treated as a "United States shareholder" with respect to each "controlled foreign corporation" in our group, if any. Because our group currently includes one entity that is treated as a U.S. corporation for U.S. federal income tax purposes, all of our current non-U.S. subsidiaries and any future newly formed or acquired non-U.S. subsidiaries that are treated as corporations for U.S. federal income tax purposes will be treated as controlled foreign corporations, regardless of whether we are treated as a controlled foreign corporation. A United States shareholder of a controlled foreign corporation may be required to annually report and include in its U.S. taxable income its pro rata share of "Subpart F income," "global intangible low-taxed income" and investments in U.S. property by controlled foreign corporations, regardless of whether we make any distributions on the ADSs or ordinary shares. An individual who is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. Failure to comply with controlled foreign corporation reporting obligations may subject a United States shareholder to significant monetary penalties. We cannot provide any assurances that we will furnish to any United States shareholder information that may be necessary to comply with the reporting and tax paying obligations applicable under the controlled foreign corporation rules of the Internal Revenue Code. U.S. persons should consult their tax advisors regarding the potential application of these rules to their investment in the ADSs.

Future changes to tax laws could materially adversely affect our company and reduce net returns to our shareholders.

Our tax treatment is subject to the enactment of, or changes in, tax laws, regulations and treaties, or the interpretation thereof, tax policy initiatives and reforms under consideration and the practices of tax authorities in jurisdictions in which we operate, including those related to the Organization for Economic Co-Operation and Development's Base Erosion and Profit Shifting Project and other initiatives. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid. We are unable to predict what tax reform may be proposed or enacted in the future or what effect such changes would have on our business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices, could affect our financial position and overall or effective tax rates in the future in countries where we have operations, reduce post-tax returns to our shareholders, and increase the complexity, burden and cost of tax compliance.

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Item 4. Information on the Company

A. History and Development of the Company

We were incorporated under the laws of Australia in 2012 under the name Graphitecorp Pty Limited. In 2015, we completed an initial public offering of our ordinary shares and the listing of our ordinary shares on the Australian Securities Exchange, or the ASX, and changed our name to GRAPHITECORP Limited. In 2017, we changed our name to NOVONIX Limited.

In June 2017, we acquired Battery Technology Solutions, Inc. (''BTS''). BTS was founded by researchers from the research group at Dalhousie University, formerly headed by Dr. Jeff Dahn. BTS aims to provide cutting edge battery R&D capabilities and technological advantage.

NOVONIX Anode Materials (formerly PUREgraphite LLC) was established in March 2017 as a joint venture to develop and commercialize ultra-high purity high performance graphite anode material for the lithium-ion battery market focused on electric vehicles, energy storage and specialty applications. In fiscal year 2019, we exercised our call option, pursuant to which we acquired all of our joint venture partner's interest in NOVONIX Anode Materials and increased our ownership to 100%.

On July 28, 2021, we completed the purchase of an approximately 404,000 square-foot facility in Chattanooga, Tennessee, ''Riverside'' (locally referred to as ''Big Blue'').

Our headquarters is located at Level 8, 46 Edward Street, Brisbane, Queensland 4000, Australia, and our registered office is located at Level 11, 66 Eagle Street, Brisbane Queensland, Australia. Our telephone number is +1 423-298-1007. Our agent for service of process in the United States is National Registered Agents, Inc., located at 1209 Orange Street, Wilmington, DE 19801. Our website address is www.novonixgroup.com. The reference to our website is an inactive textual reference only and information contained in, or that can be accessed through, our website is not part of this registration statement.

B. Business Overview

Overview

NOVONIX provides battery materials and development technology for leading battery manufacturers, materials companies, automotive original equipment manufacturers (''OEMs'') and consumer electronics manufacturers at the forefront of the global electrification economy. Our core mission is to accelerate the continued advancement and scaling of electric vehicle batteries and energy storage solutions through our advanced, proprietary technologies that can deliver longer cycle life performance at lower costs. Through our in-house technology and capabilities, as well as our front-line access to industry trends, we intend to be an industry leader, delivering what we believe to be the most advanced and cost effective battery and energy storage technologies for our customers.

We currently operate two core businesses: NOVONIX Battery Technology Solutions (''BTS'') and NOVONIX Anode Materials.

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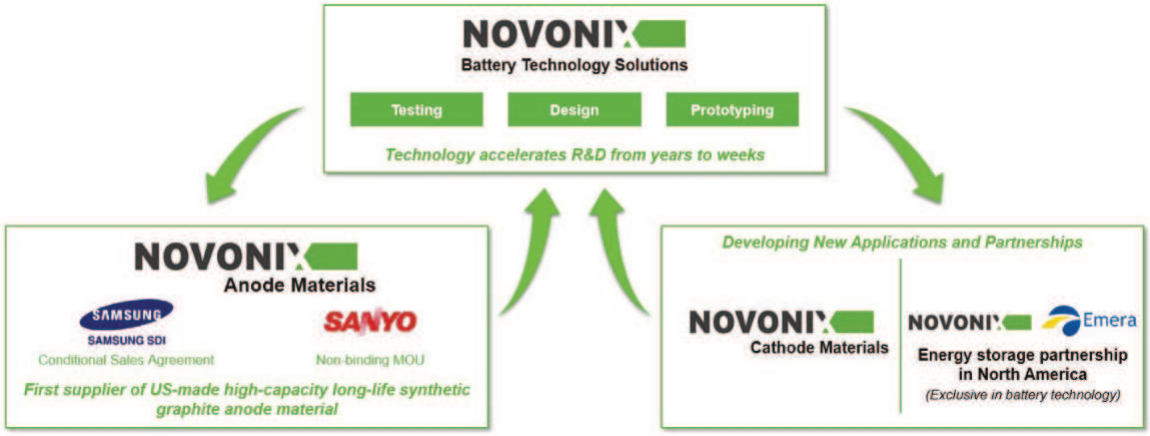
NOVONIX Battery Technology Solutions provides industry leading battery testing technology and research and development (“R&D”) services to create next generation batteries. BTS also serves as the pillar of innovation across the NOVONIX ecosystem by creating a positive feedback loop with our NOVONIX Anode Materials business as well as our developing applications and strategic partnerships including our cathode materials business and our new work in the grid energy storage market. This collaboration drives our continuous technological innovation and enables us to deliver best-in-class products and services for customers.



The NOVONIX Battery Technology Solutions business consists of two core offerings:

- Development Technologies: Our primary technology products include Ultra-High Precision Coulometry (“UHPC”) Cyclers for quick, reliable predictions of battery lifetime and Differential Thermal Analysis (“DTA”) to make non-destructive measurements of changes to battery electrolyte composition over time.
- R&D Services: Our materials development and characterization, cell design and prototyping, and cell testing services provide our customers with the resources to rapidly accelerate the development and fulfillment of their battery needs.

BTS’ proprietary testing technology and R&D capabilities have the potential to accelerate R&D timelines for our customers from years to just weeks. BTS’ equipment and services are used by researchers and leading battery manufacturers, including Panasonic, CATL, LG Chemical, SK Innovation, and Samsung SDI, as well as numerous materials companies, OEMs, and consumer electronics manufacturers.

BTS’ business has been critical in supporting the development of our NOVONIX Anode Materials business by providing us with industry and market insight to inform the development of innovative materials. Our NOVONIX Anode Materials business was established in March 2017 to commercialize what we believe is the most advanced and cost effective graphite anode material in the market for EV and energy storage applications. These end-markets continue to demand high performance batteries with longer life cycle, while at the same time requiring lower costs to continue to drive mass adoption. Anode materials are one of the most significant components that define the overall performance, reliability, and cycle life of the battery cell. To our knowledge, we are the only qualified U.S.-based producer of battery-grade synthetic graphite anode material and believe we are well-positioned to support the rapid growth in demand for these advanced anode materials in North America and globally.

Based on internal testing, NOVONIX Anode Material's synthetic graphite is competitive or superior to many existing graphite anode materials in capacity, first cycle efficiency and cycle life, while we expect to maintain competitive production cost (as measured by US$/tonne or US$/kWh). NOVONIX Anode Material's synthetic graphite is produced to very high purity relative to graphite anode materials currently in the market, to improve performance and safety and uses an energy efficient process with no hazardous chemicals, unlike traditional graphite production processes that use lower efficiency graphitization furnaces powered by high carbon emission sources of energy or rely on strong acids for chemical purification.

Key Customer Decision Drivers for Synthetic Graphite Anode Material

Key Performance Measures	Why Important?	NOVONIX Anode Materials	Mid grade	High grade	Natural
Capacity (mAh/g)	Increases Battery Energy Density	350-360	340–350	350–360	360-365
1st Cycle Efficiency (%)	Increases Battery Energy Density	94-96	91-93	93-94	90-91
Cycle Life	Electric Vehicles and Energy Storage Systems require very long cycle life	V. High	Medium	High	Low
Cost Structure	Need to lower $/kWh of energy storage for EV and energy storage system markets	$$	$$	$$$$	$$
Safety / Purity / Quality	High safety and reliability are critical aspects for EV and energy storage system batteries	V. High	Medium	High	Low
Emissions and Chemicals	Batteries support sustainability, but the input materials must also be made in an environmentally friendly manner	V. Low	High	High	High

Source: Data based on internal measurements taken as part of verification process.

We have notably signed a non-binding memorandum of understanding with two of the world's leading EV battery manufacturers, Samsung SDI and SANYO Electric (a Panasonic company) (''SANYO Electric''), for our anode materials, underscoring the strength of our developed technology, the performance of our materials, and the commercial position that we maintain in the North American market. This is bolstered by our A$115.13 million equity raise on the Australian Securities Exchange (''ASX'') in March 2021 and the strategic placement of ordinary shares for A$16 million in May 2021, which we believe provides funding to scale up production capacity of our anode materials to an expected 10,000 tonnes annually. In July we acquired a new production facility, ''Riverside'' (locally referred to as ''Big Blue''), in Chattanooga, Tennessee that is planned to be the site for expansion to at least 10,000 tonnes per year of production capacity. We are aiming to achieve an annual production capacity rate of 10,000 tonnes of anode material by early 2023. In September 2021, we consummated a transaction with Phillips 66 pursuant to which Phillips 66 acquired a 16.2% interest (based on 482,563,962 ordinary shares outstanding at September 30, 2021) in NOVONIX Limited for US$150 million (the ''Phillips 66 Transaction''). We believe the Phillips 66 Transaction will help support a capacity expansion of an additional 30,000 tonnes of our anode materials per year, which would enable us to achieve production of 40,000 tonnes of anode material per year by 2025.

NOVONIX also entered the grid energy storage market by partnering with Emera Technologies in February 2021. Emera Technologies is a Florida-based subsidiary of Emera Inc., a Nova Scotia-based power utility company. We are working with Emera Technologies to design battery pack systems to support microgrids

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that, if successfully produced, will provide solar power directly to homes in North America. This opportunity highlights the value of BTS in working with companies and industries across the battery value chain to unlock new opportunities that remain focused on delivering high performance battery technology.

We continue to expand our capabilities through strategic investments as well as our long-term sponsorship of the group led by leading battery materials innovator, Dr. Mark Obrovac at Dalhousie University. Throughout his career, Dr. Obrovac has obtained a number of patents in the field of battery science, and under our current arrangement has jointly filed with NOVONIX an additional six patent applications, all in the field of battery science covering anodes, cathodes, electrolyte, and binder materials. We regard this sponsorship as important support of our innovation as we continue to develop new materials and process technologies. To date, the sponsorship has contributed to the development of our intellectual property for various battery materials and the associated technology that NOVONIX has filed patent applications for, and most notably, two developments in cathode material processing technology. The first is our Dry Particle Microgranulation (''DPMG'') technology which we expect to enable us to deliver higher yields at lower costs. The second is our Single Crystal Cathode (''SCC'') dry processing technology for synthesizing high energy density cathode materials that has the potential to lower cost and extend battery life.

Additionally, on July 1, 2021, that Dr. Jeff Dahn, a renowned researcher in battery materials and processes, joined the NOVONIX team as Chief Scientific Advisor. Dr. Dahn's addition further enhances our R&D capabilities.

Our Market Opportunity

Efforts to decarbonize the global economy have accelerated in recent years, supported by government regulations, technological innovation, corporate actions, and environmentally conscious consumers. Two key pillars of the ''Electrification Economy'' are the transition to modes of transportation with a lower carbon footprint, particularly a transition from internal combustion engine (''ICE'') powertrains to battery powered electric vehicles as well as an increased reliance on clean and renewable energy generation, and the resulting focus on energy storage solutions to ensure a stable electric grid. We believe our technologies are positioned to address opportunities presented by each of these pillars.

An increasing number of national and local governments have enacted emissions targets and instituted incentives for companies and consumers to promote the growth and adoption of EVs and renewable energy. Additionally, governments are increasingly investing more in infrastructure to support these carbon reduction and electrification initiatives. For instance, in the United States, the administration of President Biden has proposed a multi-trillion dollar infrastructure plan, with a significant portion to be allocated to EV development and charging infrastructure as well as clean and renewable energy – this is in addition to a recently announced initiative to fully transition the U.S. government's fleet of vehicles to EVs.

These global policies and changing consumer preferences have led to the announcement of electrification plans from numerous global auto OEMs. For instance, Ford announced that its passenger vehicles line in Europe will be all-electric by 2030, GM announced its plans to go ''all electric'' by phasing out all internal combustion passenger vehicles by 2035, and Jaguar Land Rover announced plans for an all-electric vehicle line by 2025. Similarly, both existing energy utilities as well as emerging energy companies have announced plans to heavily invest in clean and renewable technology and grid energy storage solutions as the energy transition accelerates. As more renewable energy generation enters the electrical grid, energy storage requirements are expected to grow significantly to regulate the variable production from sources such as wind and solar energy.

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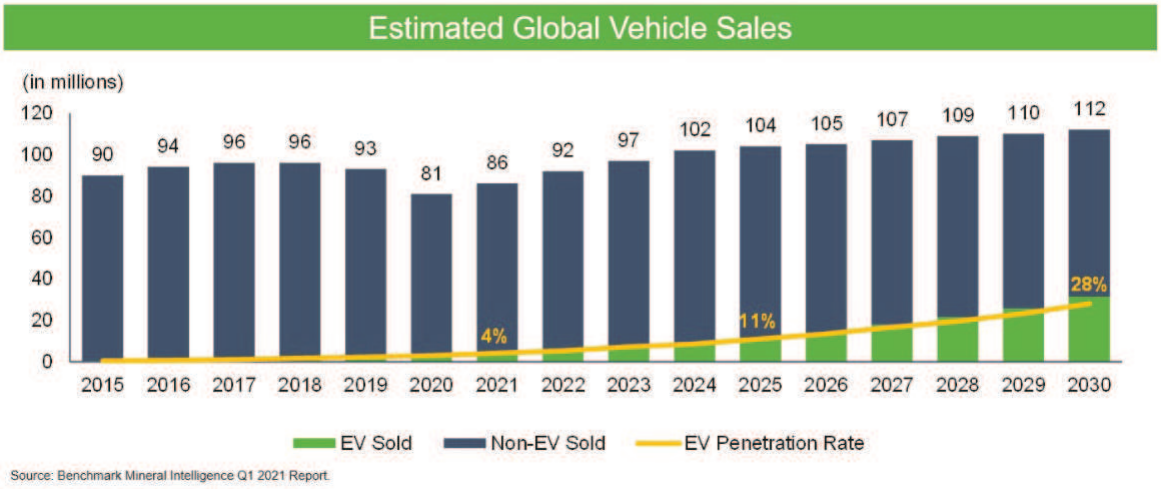
The announcements and investments geared at decarbonizing the economy and the advancements of lithium-ion batteries have driven a step change increase in expected growth in electric vehicle demand and renewable energy and have had a flow-on effect to demand for energy storage applications. According to data as of Q1 2021 provided by Benchmark Minerals Intelligence (“Benchmark”), a leading consulting firm focused on the electric vehicle and energy storage supply chain, global EV penetration is estimated to grow to 28% by 2030, requiring installed electric vehicle battery capacity to grow to 1,928GWh globally also by 2030. Additionally, demand in the energy storage market (“ESS”) is estimated by Benchmark to increase from 12GWh in 2020 to 358GWh by 2030.



Source: Benchmark Mineral Intelligence Q1 2021 Report.

Despite these growth forecasts, this energy transition faces a number of technological and cost hurdles that have to date limited widespread adoption of electric vehicles. For instance, according to Benchmark as of Q1 2021, electric vehicle penetration was 2.9% in 2020. To help achieve future penetration and battery capacity growth projections, we believe that further innovation of battery technologies and materials is required to concurrently increase the cycle life of batteries while driving costs lower to ensure competitive consumer pricing relative to ICE powertrains. While industry participants have to date delivered significant gains with respect to battery charging times, safety, and energy density potential, we believe that significant improvements in cycle life and cost are needed to facilitate widespread EV adoption.

We believe that our proprietary battery technology, including our advanced testing, R&D, and anode and cathode materials technologies have the potential to become critical components in unlocking the full performance capabilities of lithium-ion batteries, while also reducing costs, thus supporting the mass adoption and growth of EVs and renewable energy.

Our internal testing supports that incumbent anode materials in the EV sector have limited cycle life and larger range loss over time relative to our NOVONIX Anode Materials. As EVs become more integrated with grid storage applications, we view cycle life as becoming even more important to auto OEMs and consumers as their vehicles may be expected to provide electricity back into the grid and therefore are charged and discharged more frequently, rather than only supporting EV driving. As evidence of this opportunity, market participants have begun to invest in technologies that provide this capability. For instance, Volkswagen announced during its Power Day in March 2021 that beginning in January 2022 every EV from the Volkswagen Group that uses the MEB (Modular Electrification Toolkit) electrical platform will have Vehicle-to-Grid (V2G) capability, enabling those EVs to charge from the electrical grid and also return electricity to the grid on demand. Furthermore, we believe that if autonomous vehicles and “robo-taxis” become a reality, their adoption will result in an increase in the number of miles put on vehicles, requiring materials with increased cycle count. We believe our materials are best suited to address this opportunity. Our testing to date indicates that our anode materials have best-in-class coulombic efficiencies and capacity retention leading to longer cycle life and less range loss over time.

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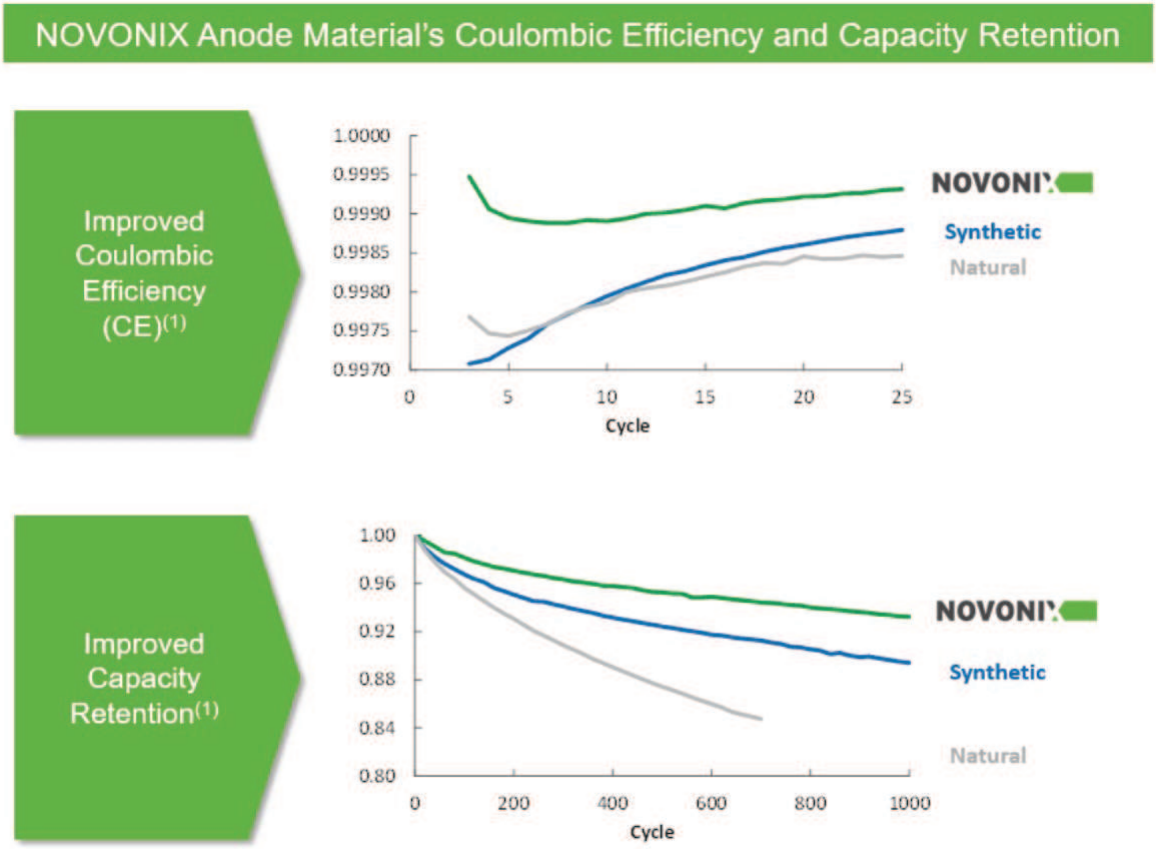

1. Data based on internal measurements taken as part of verification process.

The above chart shows the Coulombic Efficiency, which is the efficiency with which lithium atoms are stored during charge and released during discharge, and capacity retention of cells comparing different commercial anode materials to NOVONIX's anode material, based on internal testing. These test cells were built on the BTS pilot line using an NCM 622 cathode and anodes comprising NOVONIX's anode material, a commercial synthetic graphite, or a commercial natural graphite. The early improvements Coulombic Efficiency measured using NOVONIX's UHPC equipment result in the improved performance in long term capacity retention tests (approximately one year of testing) of NOVONIX's anode material compared to the commercial anode materials that were tested.

We also believe that we are well positioned to capitalize on opportunities in the cathode materials market. Currently, incumbent cathode technologies generally force consumers to choose between range and price, with a high iron content cathode chemistry having lower energy density (shorter range) at a lower price and a high nickel content cathode chemistry having higher energy density (longer range), but at a higher price. We believe that our NOVONIX Cathode Materials technology will provide the advantages of the high energy density of nickel content cathodes, with a more competitive cost structure competitive to high iron content cathode chemistries (in US$ / kWh).

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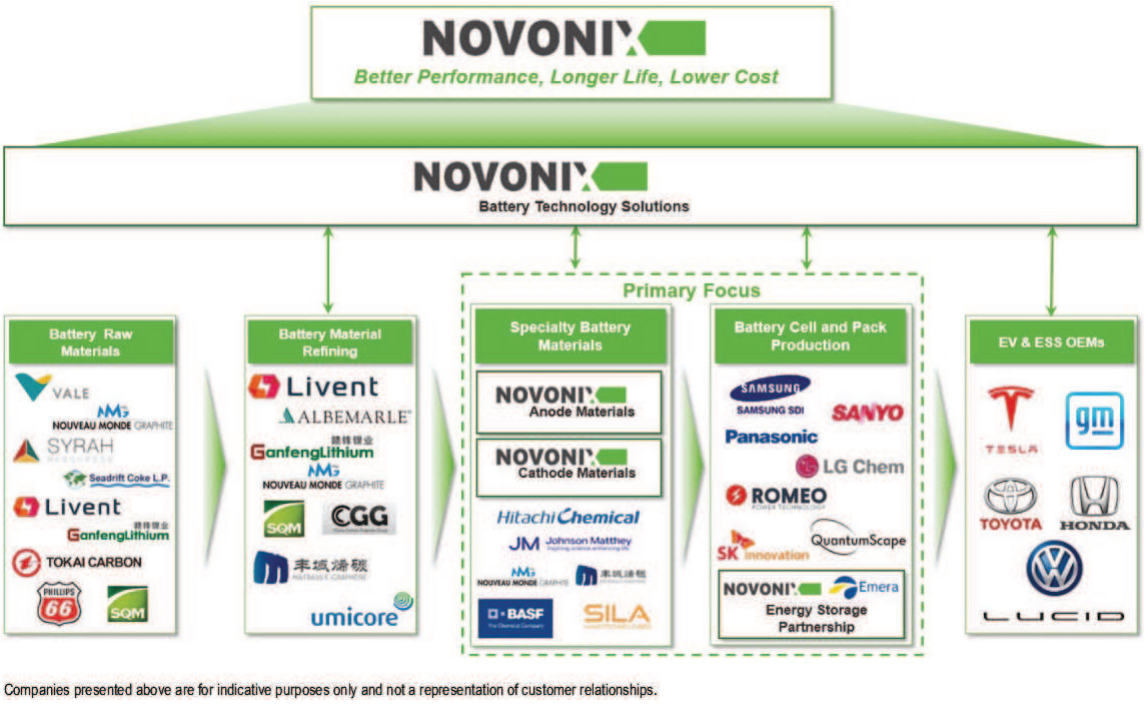
Benefits of Our Technology

The NOVONIX technology and materials ecosystem enables us to play a critical role across the battery value chain. While our primary focus is the development of specialty materials and technology for battery cell and pack production, our participation across the broader value chain provides us with in-depth industry visibility. We believe that this gives us the insight to better anticipate and understand the needs of existing and potential customers as we continue to advance and expand our capabilities.



Companies presented above are for indicative purposes only and not a representation of customer relationships.

Battery Technology Solutions

Our internal testing supports our belief that our BTS business offers the most accurate lithium-ion battery cell testing equipment and services currently available in the market globally. These technologies include Ultra-High Precision Coulometry and Differential Thermal Analysis systems that were first developed by key members of our team, including our CEO, Dr. Chris Burns, when working with the research group at Dalhousie University headed by Dr. Jeff Dahn and commercialized as a result of R&D efforts backed by our team of engineers and research professionals. After the development of these industry leading technologies, we expanded our in-house R&D services through installing a full battery cell design and prototyping pilot line and significantly expanding our internal testing capabilities. This has allowed BTS to play a role in providing services to our customers to rapidly accelerate their battery development. In addition, BTS is critical in providing real-time feedback to our internal team of researchers to further drive the growth and development of our anode materials, cathode materials, and energy storage venture, and we believe BTS will continue to drive the development of new cutting edge innovations across the entire battery value chain.

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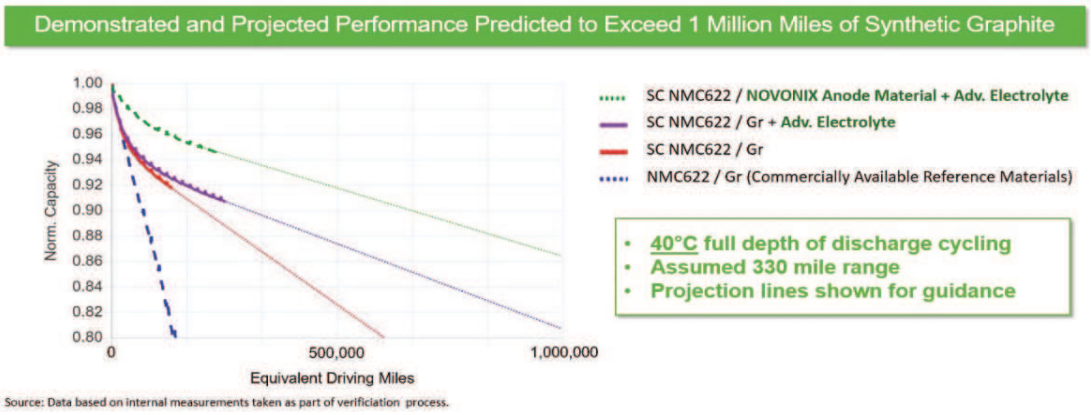
NOVONIX's Complete Battery Cell Technology is Leading the Way for the Next Generation of Batteries



NOVONIX Anode Materials

NOVONIX Anode Materials' synthetic graphite can deliver superior performance in lithium-ion batteries relative to those using competing natural and synthetic graphite, while also being produced through lower cost and cleaner process technology. Our proprietary anode materials consistently outperform commonly used industry materials in head-to-head internal testing for Coulombic Efficiency, which is the efficiency that lithium atoms are stored during charge and released during discharge, thus driving longer cycle life. In EV applications, this efficiency translates into reduced loss of range over time as seen in the above figure. The superior performance of our anode material is driven by its high purity and our proprietary process technology resulting in better electrochemical stability of our synthetic graphite materials.

Dry Particle Microgranulation Technology

In May 2020, together with Dalhousie University, we announced the development of DPMG, a breakthrough processing method that can be applied to the manufacturing of both anode and cathode materials for lithium-ion batteries. Relative to other methods, our internal lab testing has shown DPMG improves product yields while also reducing chemical waste, production costs, and environmental impact. DPMG provides a method for synthesizing highly engineered particles through the consolidation of fine materials, that may otherwise be waste, into particles that can be up to tens of microns and suitable for use in lithium-ion batteries. The process tightly conforms the way microgranuals form during the manufacturing process from a variety of input materials. Pursuant to the terms of our collaborative research agreement with Dalhousie University, we exclusively own all intellectual property in and to DPMG without any ongoing obligations with respect to that intellectual property, including any royalty payments to Dalhousie University. NOVONIX currently plans to install a 10 tonnes per year pilot line in 2022 to leverage this technology in making high nickel cathode materials.

Single Crystal Cathode Materials

Leveraging our DPMG methodology, we have developed process technology to also produce single crystal, high energy density cathode materials. Single crystal cathodes have in many instances been shown to provide better cycling performance, replacing the traditional polycrystalline structure of battery cathodes that is prone to cracking and degradation during cycling, resulting in lower overall cycling performance. The current method for making most polycrystalline and single crystal cathodes involves complex wet-chemical processing which can produce significant amounts of waste streams. Through utilizing our dry processing technology, we believe our cathode materials will have best-in-class performance while also improving the costs and sustainability of lithium-ion batteries.

Advanced Electrolytes

We are working on the development of new advanced electrolytes, some of which have demonstrated superior performance to products currently in the market during internal testing. Electrolyte systems are the third key element to battery lifetime along with the anode and cathode active materials. We expect our

electrolytes to further enhance and optimize battery performance, particularly when used in conjunction with our anode and cathode materials. We are currently in the process of developing our advanced electrolyte technology and seeking patent protection for this technology in connection with further advancements in battery cycle life.

Our Competitive Strengths

We develop and supply what we believe is the most accurate battery testing technology in the world. Our Ultra-High Precision Coulometry technology for short term reliable evaluation of the cycle life of lithium-ion cells was developed in the laboratory at Dalhousie University by Dr. Jeff Dahn, who joined our team as Chief Scientific Advisor on July 1, 2021. Our CEO, Dr. Chris Burns, was a team lead of that laboratory. This testing technology delivers high accuracy, high precision measurements that are reliable and repeatable, with the potential to allow cycle life evaluation to be made in weeks instead of years. We believe our Ultra-High Precision Coulometry technology provides significantly higher grading measurements than our competitors, enabling us to support the most urgent and innovative performance cell testing projects and is used by industry leaders across the battery sector.

Our proprietary process technology and capabilities across the battery and energy storage value chain drive innovation and commercial opportunities. By playing a critical role across the full value chain, our proprietary testing and development technologies provides us with in-depth visibility into industry and technological trends ranging from materials to end use cases and requirements. We believe that this access should allow us to remain at the forefront of lithium-battery technology. As the broader battery and energy storage industry continues to evolve, we are committed to continuing to expand into new and emerging technologies beyond lithium-ion.

To our knowledge, we are the only qualified U.S.-based supplier of battery-grade synthetic graphite anode material, with capacity scaling as market demand grows. Projections by Benchmark as of Q1 2021show anode material demand growing to ~940 GWh by 2025, which would require 1,126 Kt of graphite per year. This growth coupled with a lack of geographic diversification for battery materials creates potential supply chain security issues for U.S.-based EV OEMs and battery manufacturers. Our NOVONIX Anode Materials business is well-positioned to help alleviate this problem as U.S. and non-U.S. companies seek to diversify their suppliers of battery materials with the goal of sourcing material within the U.S. To our knowledge, we are the only qualified U.S.-based supplier of battery-grade synthetic graphite anode material with a scalable and contractor-qualified product currently in production.

Our anode materials have longer cycle life coupled with lower costs. NOVONIX Anode Materials' premium graphite showcases higher Coulombic Efficiency as well as capacity retention compared to industry leading materials in head-to-head comparisons (including a tier 1 automotive OEM cell used as a reference benchmark). We believe NOVONIX's materials have the highest purity in the market as they contain essentially no contaminants, enhancing safety as well as performance. We believe NOVONIX Anode Materials' process is also a ''greener'' alternative as it utilizes several lower emission energy sources and no chemical purification, avoiding the environmental and safety risks of such processes. The strength of NOVONIX Anode Materials' products are evidenced by our memorandum of understanding with each of Samsung SDI and SANYO Electric for our anode materials. Our mission is to be a leader with high performance, longer life, lower costs, and ''greener'' materials.

Our offerings are directly compatible with today's installed and planned battery manufacturing technology. NOVONIX Anode Materials provides proven technology that can be integrated into current cell designs with no material additional costs to cell manufacturers. A very limited number of suppliers are established outside of Asia, which could lead to lack of localized supply options. The plug and play characteristic along with superior material performance and competitive pricing is expected to drive continued industry adoption of our offerings.

Our research and development team consists of renowned battery technology researchers including Dr. Jeff Dahn and Dr. Mark Obrovac. Dr. Jeff Dahn, who joined our team as Chief Scientific Advisor on July 1, 2021, is a leading researcher in the field of lithium-ion batteries and materials. Dr. Dahn is a named inventor on 65 patents and patent applications. Dr. Mark Obrovac is another renowned researcher in battery materials and process technology, a NOVONIX sponsored researcher, and the head of the Obrovac Research Group at Dalhousie University. With the support of leading innovative battery technology researchers, we believe NOVONIX is well-positioned to remain at the forefront of battery technology.

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We are partnering with industry leading companies. To further the development and production of advanced anode materials, we are partnering with Harper International, a global leader in complete thermal processing solutions and technical services for the production of advanced materials, to develop proprietary next-generation furnace technology. We expect that partnering with Emera Technologies to design battery pack systems to support microgrids will further drive our technology development within the energy storage industry. As part of our memorandum of understanding with Samsung SDI, we have agreed to collaborate on future NOVONIX materials and techniques. These arrangements demonstrate that industry leaders have identified NOVONIX as a strategic partner for continued innovation.

We have received support from the U.S. Government. In January 2021, we were selected to receive a US$5.58 million grant from the U.S. Department of Energy. When finalized and funded, this grant is expected to facilitate the development of our proprietary next generation furnace technology. If successful, we believe that technology has the potential to lead the market in energy efficiency, environmental impact, and capital cost. In addition to our existing relationship with Harper International, Phillips 66, a global producer of petroleum needle coke, has partnered on this project to provide feedstock materials. We believe that this grant demonstrates the commitment by the U.S. Government to support the establishment of domestic supply of high-performance battery materials, while highlighting the expertise, progress, strategic partnerships, and technology NOVONIX has developed.

Our Growth Strategy

Maintain technology leadership throughout the EV battery and energy storage supply chain. We are committed to bringing better battery technology to market rapidly by leveraging our advanced R&D capabilities, proprietary technology, and strategic partnerships. We believe our BTS technology and research teams provide us with the resources to stay at the forefront of innovation within the rapidly evolving battery and energy storage landscape. We are committed to continuing to leverage our competitive advantage to expand our offerings and technological know-how into other advanced offerings including lithium-metal and beyond lithium-ion technology.

Execute on development of NOVONIX Anode Materials production capacity with hopes to expand to 150,000 tonnes per year. We intend to expand the production scale of our qualified anode product to meet the expected strong growth in demand from EVs. We are targeting annual production capacity of 10,000 tonnes of NOVONIX Anode Materials in 2023, with further hopes to expand annual production capacity to 40,000 tonnes in 2025 and 150,000 tonnes in 2030.

Commercialize our proprietary pipeline of advanced battery materials and process technologies. We are currently expanding opportunities to work with partners globally to commercialize our proprietary and patent-pending cathode production process. The cathode commercialization project is progressing with the completion of our first phase pilot line in January 2021 and we are working to meet key testing milestones over the next 12-18 months as we expand our next phase of pilot scale production and evaluate material performance in cells built on BTS' battery line. Our broader battery technology pipeline contains a number of innovative materials and processes in advanced anodes, cathodes and electrolytes that we expect to continue to develop.

Further broaden the use of our battery technology in grid storage applications. Our proprietary technology enables us to apply our advanced capabilities and solutions to energy storage applications that we believe will be critical to the growth of the clean energy economy. We believe that partnering with Emera Technologies illustrates our ability to apply our technology and know-how into grid storage applications. We currently are seeking to work together with Emera Technologies in connection with the potential manufacture and delivery of residential energy storage systems in the next 12-18 months.

Invest in our people. Our continuous improvement culture requires that we hire and retain the best engineers and research scientists in our industry. We intend to continue to invest in our people through training and development designed to ensure we attract and retain the best talent in the industry.

Our Strategic Partnerships

We have established strategic partnerships that further support our continued development of advanced battery materials and manufacturing technologies, as well as accelerate market access for our products and services. These partnerships are expected to help us scale quickly across sectors and geographies, validate our

proprietary technologies for customers in new markets, and enable NOVONIX to remain at the forefront of market trends in the development of our next generation of products and services.

Our strategic partnerships include:

- ***Dalhousie University*** – In February 2021, we announced a five-year extension of our sponsorship of Dr. Mark Obrovac's laboratory at Dalhousie University through the execution of a collaborative research agreement. We have sponsored Dr.Obrovac's group since 2018 through a Natural Sciences and Engineering Research Council of Canada Alliance Grant. Under the agreement, we have agreed to pay Dalhousie University in quarterly installments and, in exchange, Dr. Obrovac will provide us with his reasonable efforts and expertise, a research team and assignment or transfer of patents for intellectual property created as a result of the research. We have filed six patent applications covering technology developed as a result of our collaboration with the university. Additionally, we have, and have exercised and will continue to exercise, first rights to all intellectual property developed through this partnership, with no royalty obligations. The agreement may be terminated by 90 days' written notice of either us or Dr. Obrovac's group, however, in that event, we would retain all rights with respect to any and all intellectual property and research results generated by performance of the research services in the metal-ion battery chemistries and metal-ion battery materials field then in existence.
- ***Emera Technologies*** – In February 2021, we began partnering with Emera Technologies to develop residential battery pack systems to support microgrids that, if successfully produced, will provide solar power directly to homes. Over the past year, our teams collaborated pursuant to a design services agreement to design a battery pack including innovative designs, custom manufacturing and control systems to support Emera Technologies' BlockEnergy microgrid currently being implemented in a new residential community in the United States. Pursuant to a memorandum of understanding, we are seeking to work together with Emera Technologies in connection with the potential manufacture and delivery of residential energy storage systems in the next 12-18 months. Under our memorandum of understanding, subject to Emera's agreement, we intend to form a new entity that is jointly owned by us and Emera Technologies. We would be primarily responsible for performing design services in respect of the design of the battery block system, including the production of prototypes and the testing thereof. The memorandum of understanding will expire no later than June 2023, and may be terminated earlier by mutual written agreement. Under the memorandum of understanding, Emera would have first right to purchase all battery systems produced by the new entity. We believe that our collaboration with Emera Technologies offers the potential for new future opportunities across North America.
- ***Harper International Corporation*** – In December 2020, we entered into a strategic, non-assignable, agreement with Harper to develop specialized furnace technology intended to enhance our synthetic graphite manufacturing process. Through this agreement, Harper has developed, and will continue to develop, systems that are exclusive to NOVONIX in the battery-ion field in exchange for us purchasing at least one system per year. This agreement may be terminated by mutual written agreement at any time or in the case of a breach by Harper, and will automatically terminate 18 months after our last purchase of a furnace from Harper. We may choose to employ different technology under the agreement, however Harper retains the right of first offer to supply a similar offering at a reasonably competitive performance, pricing and delivery.
- ***SANYO Electric (a Panasonic Company)*** – Following positive testing results of our NOVONIX Anode Material's premium synthetic graphite, in October 2019, we entered into a non-binding memorandum of understanding with SANYO Electric, one of the leading manufacturers of lithium-ion batteries for a variety of applications, including electric vehicles and energy storage systems, to investigate the opportunity to supply NOVONIX anode materials for use in lithium-ion battery manufacturing. We have agreed to scale production of graphite anode material at our manufacturing facilities in Tennessee and SANYO Electric has agreed to analyze samples and provide us with feedback in furtherance of a good faith effort in reaching a deal to supply our product to SANYO Electric or its affiliates for use in lithium-ion battery manufacturing. Through the June 2021 quarter, NOVONIX has produced anode materials using the Generation 2 furnace system to support next steps in customer qualification programs. As of July 2021, the first mass production materials from the Generation 2 furnace system have been shipped to SANYO Electric for qualification.

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- ***Samsung SDI*** – In December 2019, we entered into a non-binding memorandum of understanding to agree to supply lithium-ion battery anode material to Samsung SDI, an international manufacturer of lithium-ion batteries. Under the agreement, we have agreed to supply Samsung SDI with 500 tonnes of lithium-ion battery anode materials beginning in late 2021, subject to quality testing, with the potential for larger volumes to be supplied thereafter. As part of our memorandum of understanding, we agreed with Samsung SDI to collaborate on future NOVONIX materials and techniques.

Industry Background

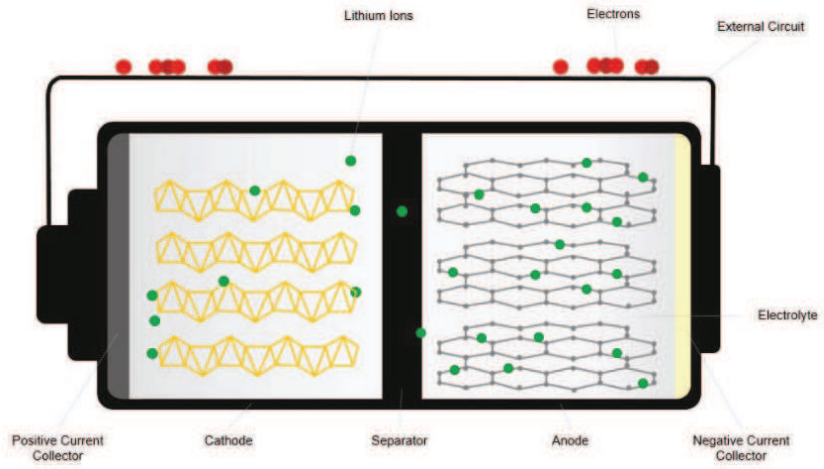
Lithium-ion Battery Overview

Lithium-ion batteries have emerged as the leading technology for rechargeable batteries. The first commercialization of lithium-ion battery technology was by Sony and Asahi Kasei in 1991. Since then, lithium-ion batteries have played an increasingly important role within the electrification ecosystem, first in consumer electronics and now in the rapidly growing EV and energy storage markets.

Lithium-ion battery technology has many advantages relative to other battery chemistries and is generally considered the optimal solution for EVs and energy storage applications. In particular, lithium-ion batteries (1) have higher density relative to many other types of batteries, such as a nickel batteries, resulting in higher power output, (2) are lower maintenance relative to other battery types that require regular cycling or refilling battery fluid, (3) have a much lower self-discharge rate compared to other types of rechargeable batteries, enabling lithium-ion batteries to achieve very long cycling performance in their applications, and (4) have lower risks associated with volatile materials, specifically flammable fuels and battery acid.

A lithium-ion battery cell is composed primarily of three main components: positively charged cathode, negatively charged anode, and the electrolyte. The cathode releases ions while it is charging and then absorbs them while discharging; conversely, the anode absorbs ions during charging and releases them while discharging. The electrolyte acts as a medium for the transportation of lithium ions between anode and cathode while corresponding electrons travel through the external circuit, thus driving the charging cycle.

Lithium-ion Battery Composition and Processes



Electrification Trends and the Evolving Market for Lithium-ion Technology

Efforts to decarbonize the global economy coupled with increasingly environmentally conscious consumers have spurred new markets and robust demand for lithium-ion battery technology. The two key pillars in the Electrification Economy are the transition to modes of transportation with a lower carbon footprint, particularly a transition from internal combustion engine (“ICE”) powertrains to battery-powered electric vehicles, and an increased reliance on clean and renewable energy generation, and the resulting focus on energy storage solutions to ensure a stable electric grid.

An increasing number of national and local governments have enacted emissions targets and instituted incentives for companies and consumers to promote the growth and adoption of EVs and renewable energy

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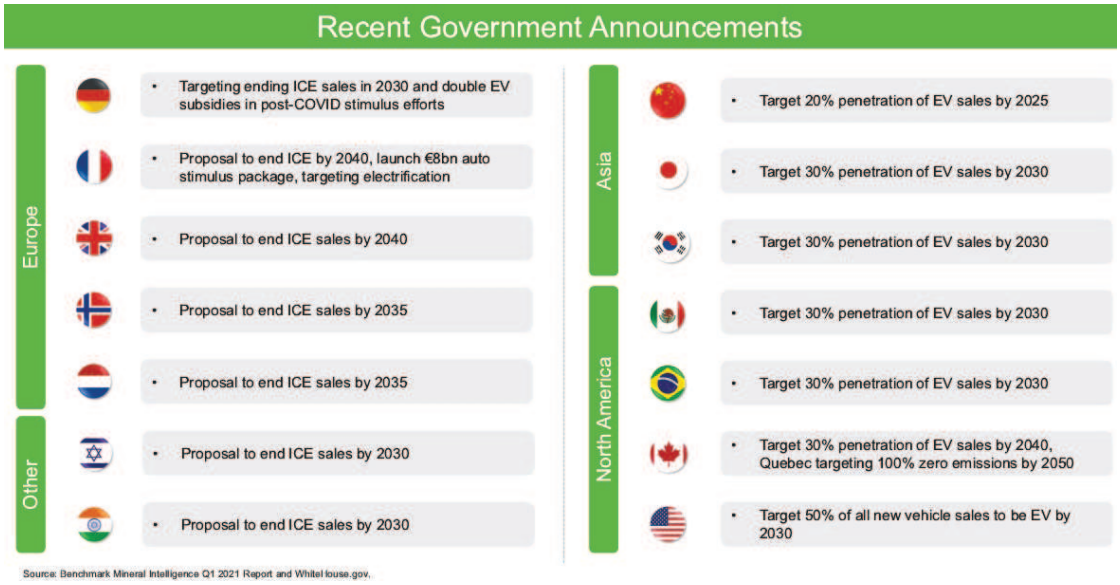
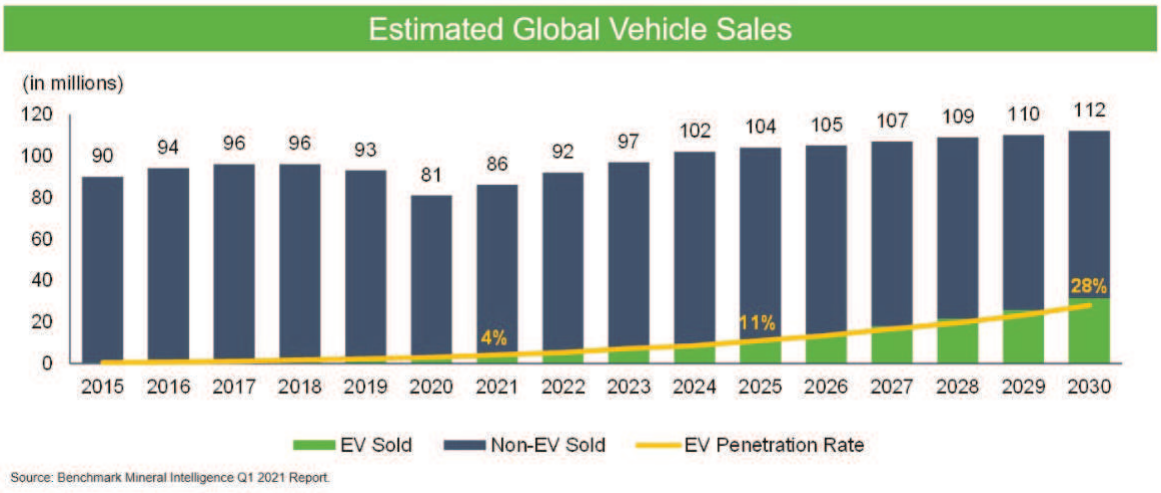
production. Additionally, governments are increasingly investing more in infrastructure to support these carbon reduction and electrification initiatives. For instance, in the United States, the administration of President Biden has proposed a multi-trillion dollar infrastructure plan, with a significant portion to be allocated to EV development and charging infrastructure as well as clean and renewable energy – this is in addition to a recently announced initiative to fully transition the U.S. government's fleet of vehicles to EVs.



These announcements and investments geared towards decarbonizing the economy coupled with advancements in lithium-ion batteries, including longer range and lower costs, are expected to drive significant adoption and growth in EVs over the next decade.



According to Benchmark Minerals Intelligence ("Benchmark"), a leading consulting firm focused on the EV and energy storage supply chain, as of Q1 2021 global EV penetration is expected to increase to 28% by 2030, relative to 2015 levels, which Benchmark projects would result in EV battery demand growing to 1,928GWh globally by 2030.

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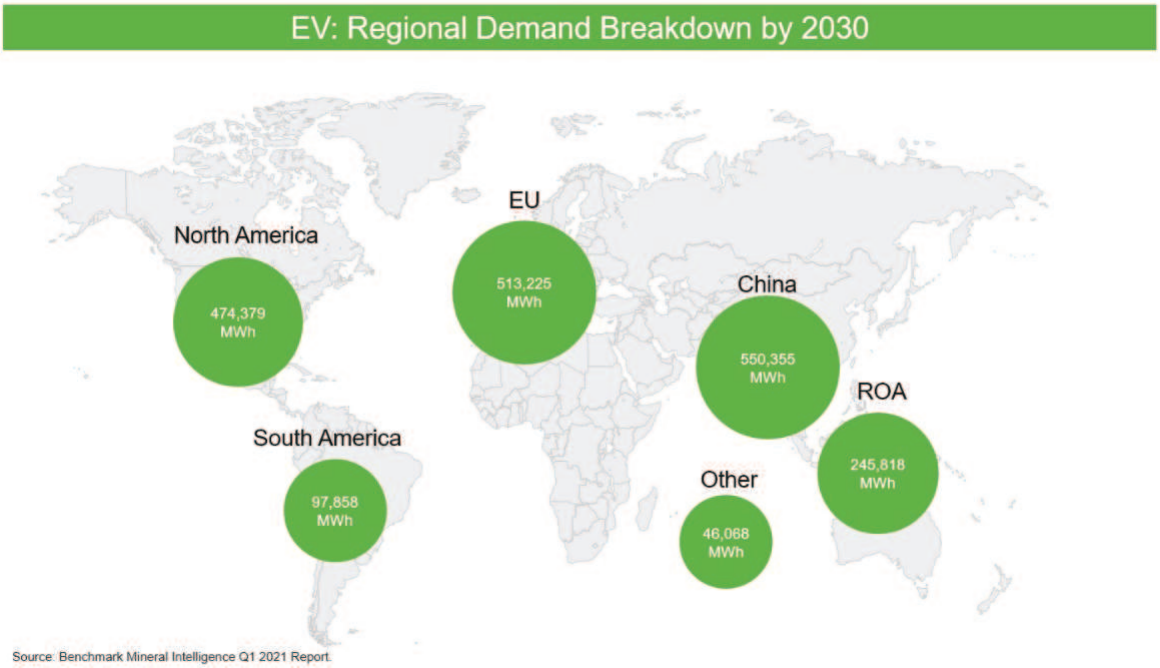
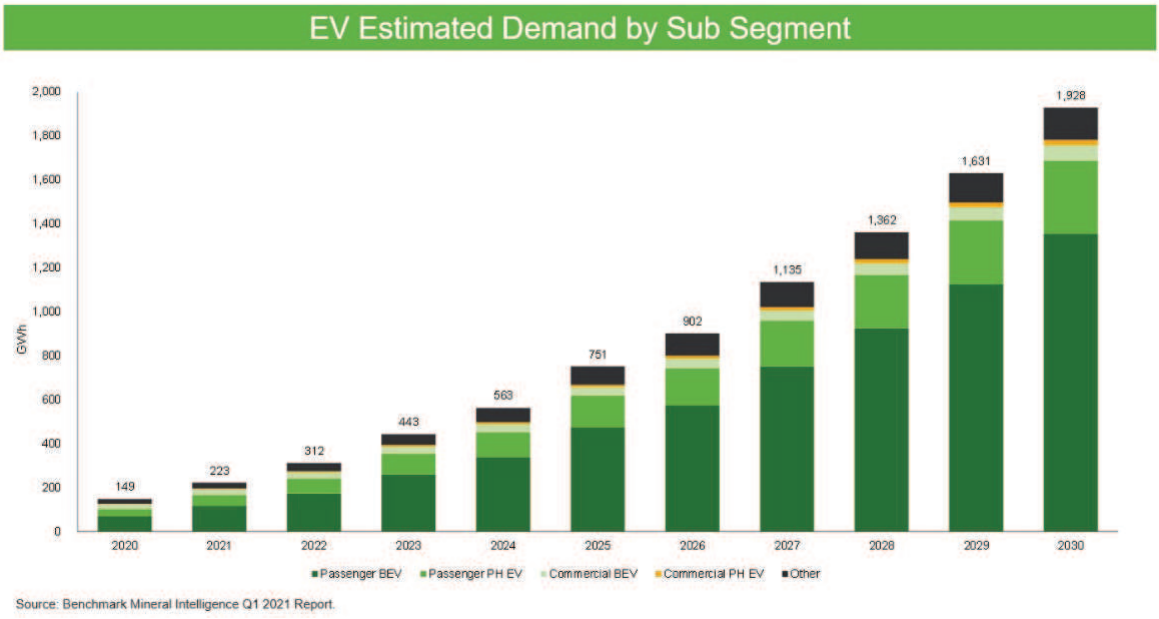


The most significant drivers of EV adoption and growth are expected to be the passenger battery electric vehicle (‘‘BEV’’) and passenger plug-in hybrid electric (‘‘PH EV’’) segments. However, there meaningful growth is also expected in the commercial BEV and PH EV segment and other segments, including micromobility.



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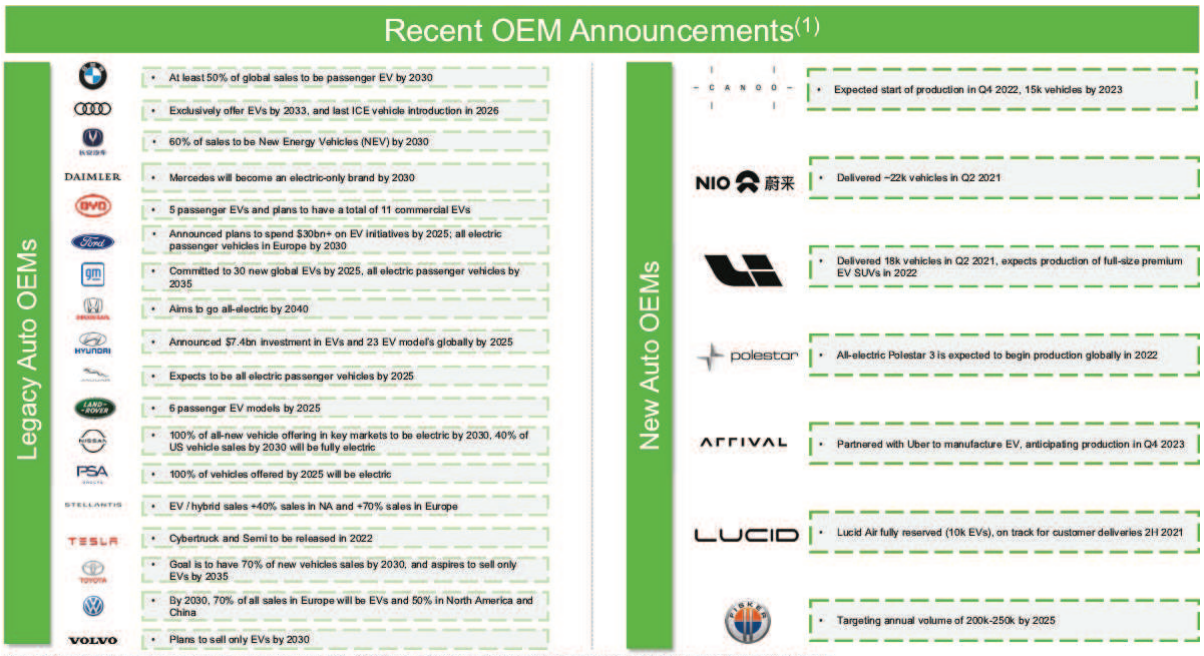
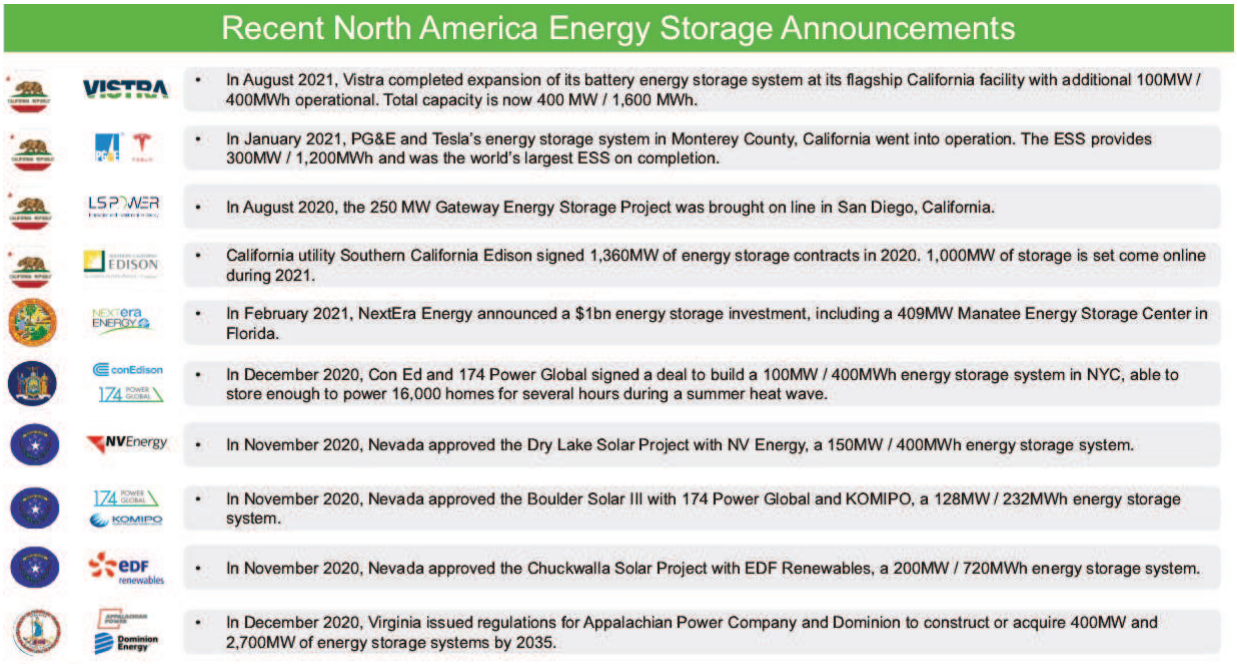
In anticipation of this transformational global shift to EVs driven by governmental policies and changing consumer preferences, many global auto original equipment manufacturers (“OEMs”) have announced electrification plans and targets.



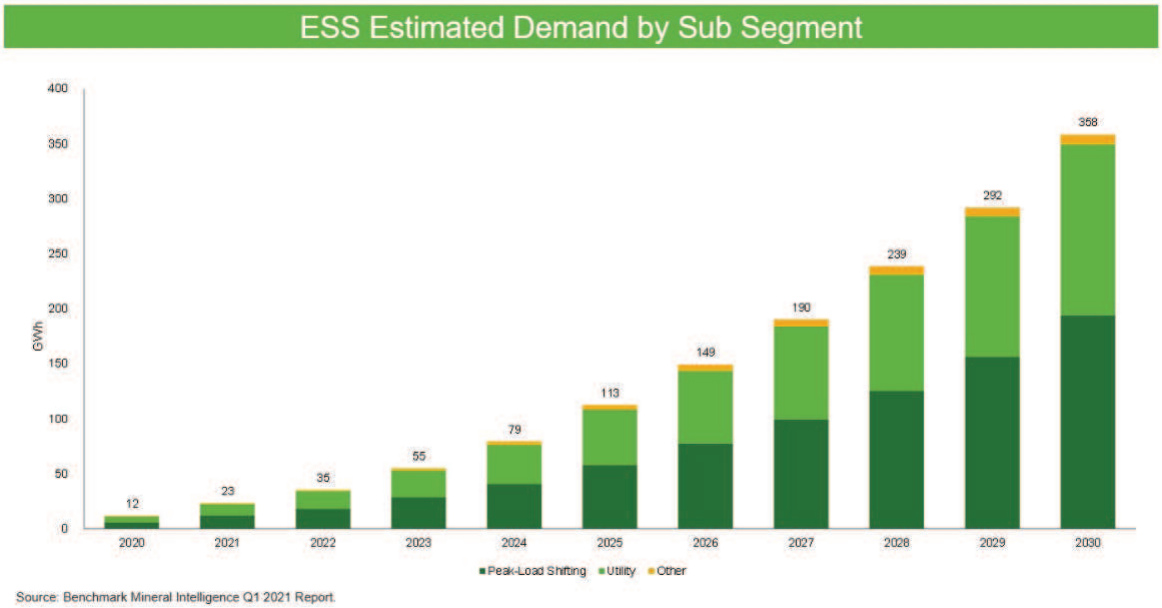
Source: Company filings, investor presentations, company websites, BBC, CNBC, Forbes, AutoNews, Car Buzz, Motor Trend, Electrek, NPR, CNET, Tech Crunch, and NY Times.
(1) Statements are extracts of statements relating to the expectations of or regarding other companies.

As more renewable energy generation enters the electrical grid, the requirement for energy storage is expected to grow significantly to regulate the variable production of sources such as wind and solar energy. As of Q1 2021, Benchmark estimates that global demand in the energy storage market (“ESS”) will increase from 12GWh in 2020 to 358GWh by 2030, with North America requiring 97GWH by 2030. This opportunity is evidenced by the recent strategic investments of market participants. For instance, both existing energy utilities as well as emerging energy companies have announced plans to heavily invest in clean and renewable technology and grid energy storage solutions as the energy transition accelerates.



Source: Company websites.

Growth in the ESS market will be driven by the need for energy utilities to store clean and renewable energy, as well as the need to support the adoption of load-shifting energy storage systems.



Source: Benchmark Mineral Intelligence Q1 2021 Report

EVs are also expected to play a supporting role in the ESS landscape. For instance, Volkswagen announced in April 2021 that starting in 2022, all EVs manufactured on Volkswagen's next-gen MEB platform will have V2G (vehicle to grid) technology, bidirectional EV battery technology enabling EV's to stabilize ESS. Transition to this new energy infrastructure—particularly the increase in EVs with bidirectional battery technology—will emphasize the importance of ultra-long cycle life batteries, as we expect that it will further prompt a step change increase in the number of cycles of optimal battery life.

The Lithium-ion Battery Value Chain

The lithium-ion value chain can be broken down into five core components:

1. Producers of raw battery materials from earth minerals and chemicals
2. Battery material processors and refiners such as nickel refiners, spherical natural graphite producers, and producers of lithium hydroxide and carbonate
3. Specialty battery materials producers that use the refined battery material inputs to produce anode, cathode, and electrolyte material for use in battery cells
4. Manufacturers of battery cells and battery pack systems
5. End-users such as EVs and energy storage units

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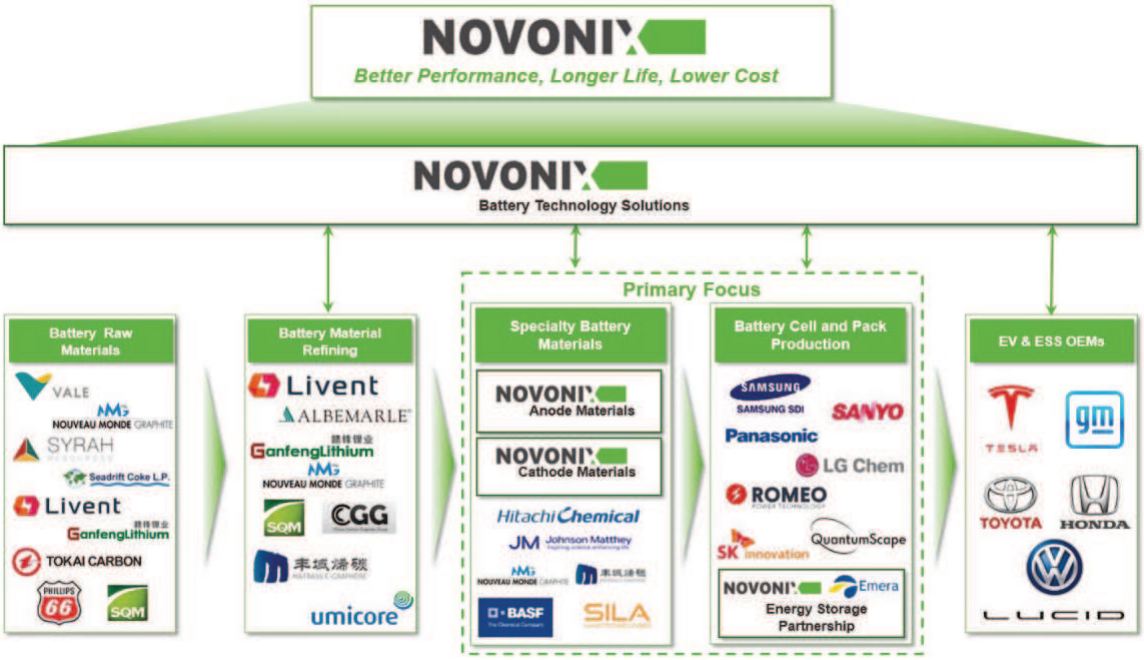
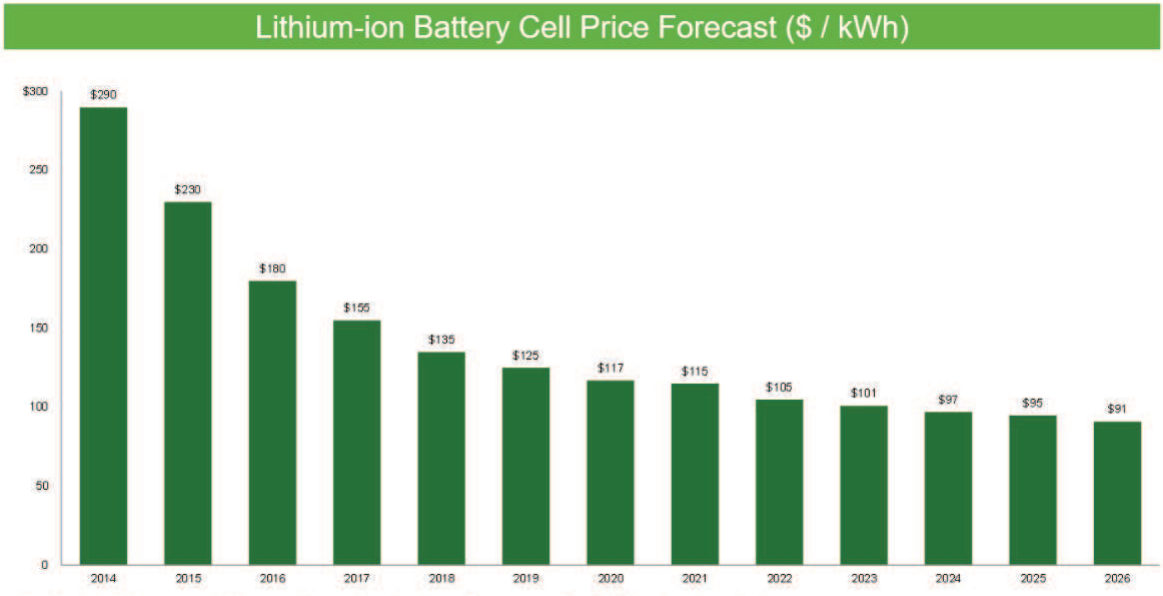


Companies presented above are for indicative purposes only and not a representation of customer relationships.

Battery Cost Overview

The battery pack is the most expensive part of an electric vehicle. The threshold for price parity with gasoline engines (excluding subsidies), according to Bloomberg NEF, is around US$100/kWh. While Benchmark estimates that as of Q1 2021 lithium-ion battery cell prices have decreased by a CAGR of 14.0% since 2014, prices have not yet reached this important milestone. That is expected to change in the near future. As of Q1 2021, Benchmark projects battery cell prices to decrease from US$117/kWh in 2020 to US$91/kWh in 2026, representing a decrease in CAGR of 4.1%.



Note: Assuming flat future raw material prices, excludes module and pack costs, figures account for top 80% of producers by scale only.
Source: Benchmark Mineral Intelligence (4/23/21).

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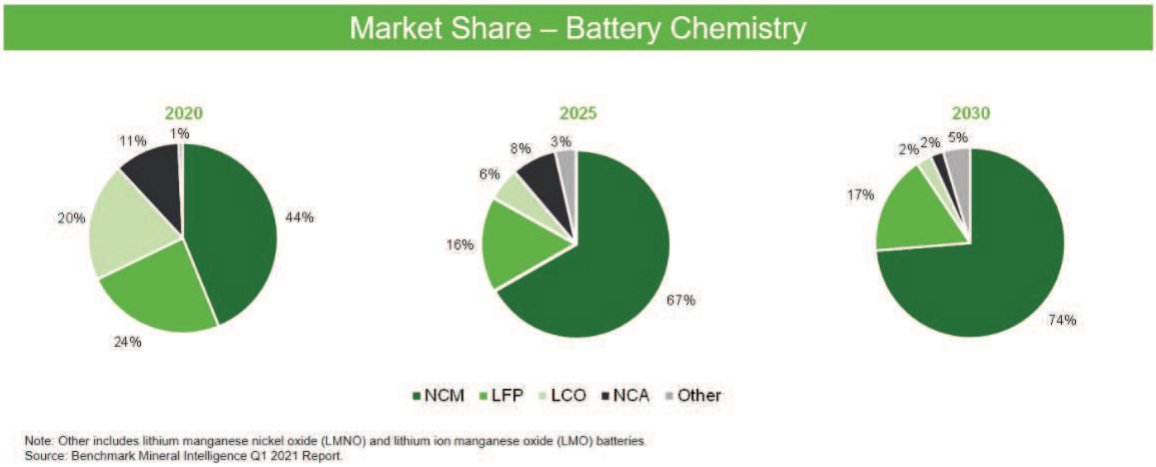
The cathode chemistry of lithium-ion batteries has a material impact on costs. Lithium nickel cobalt manganese (''NCM'') is currently the leading chemistry given its high energy density and overall performance relative to other cathode chemistries. As EVs and ESS applications continue to grow, coupled with the need to develop higher performance batteries, as of Q1 2021 Benchmark estimates that NCM chemistry will account for 74% of cathodes by 2030.



Note: Other includes lithium manganese nickel oxide (LMNO) and lithium ion manganese oxide (LMO) batteries.
Source: Benchmark Mineral Intelligence Q1 2021 Report.

Lithium nickel cobalt manganese (NCM): This chemistry can take several forms, including NCM 111 (equal amounts of nickel, cobalt, manganese), NCM 532/622 (higher energy density and lower price than NCM 111 due to a lower cobalt content), and the most recent and advanced NCM 811 (highest theoretical performance). The nickel in an NCM battery is responsible for its higher energy density (higher range), while the manganese is responsible for the stability. NCM chemistries typically have relatively long life spans even with frequent cycling. While NCM batteries contain a high energy density, they can be expensive due to the complex manufacturing process and the costs of nickel and cobalt.

Lithium nickel cobalt aluminum oxide (NCA): NCA batteries have a higher nickel content and exposure than their NCM counterparts. They are recognized for having high energy density and high cycling ability. Additionally, the inclusion of aluminum as a part of the battery chemistry provides increased battery stability in comparison to its predecessor lithium nickel oxide batteries. NCA batteries have been commonly used in EV applications; for example, Tesla has opted for this specific chemistry over other NCM chemistries in its current fleet of EV vehicles. While NCA batteries have strong use cases in EV and ESS applications, the chemistry can be dangerous in large-scale applications, such as for large passenger buses.

Lithium iron phosphate (LFP): LFP batteries offer exceptional specific power (ability to transfer a current), high durability, and long cycle lives. LFP batteries also provide enhanced thermal stability and safety. While the energy density of LFP batteries is relatively low, they can be materially less expensive than NCM batteries due to a lack of reliance on nickel or cobalt. LFP batteries may be suitable for use in electric vehicle markets where consumers are more price sensitive and where energy density is not key, as in the Chinese market, where government investment into charging infrastructure can reduce the importance of having vehicles with longer range. LFP batteries have also demonstrated viability in ESS applications due to increased safety capabilities.

Lithium cobalt oxide (LCO): LCO batteries were the first to be widely commercialized and have high energy densities. However, LCO batteries have relatively short life spans (require frequent charging), are unstable under high temperatures, and have low specific power (ability to transfer a current). Additionally, LCO batteries are reliant on cobalt, which is mostly sourced from the Democratic Republic of Congo, which has resulted in price volatility in the past. As a result, according to Benchmark as of Q1 2021, LCO is expected to steadily lose market share as it is not expected to be used in EVs or ESS applications but mainly in portable technology, such as phones and laptops.

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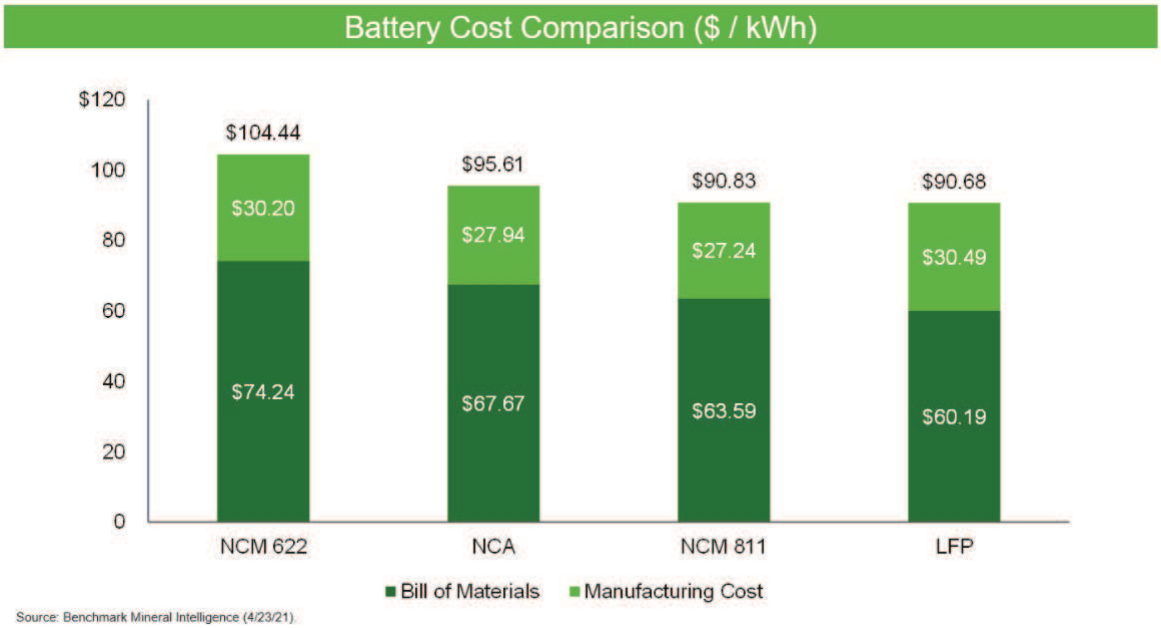

Currently, incumbent cathode technologies generally force consumers to choose between range and price, with a high iron content cathode chemistry having lower energy density (shorter range) at a lower price and a high nickel content cathode chemistry having higher energy density (longer range), but at a higher price. We believe that our nickel NOVONIX Cathode Materials will provide the advantages of the high energy density of nickel content cathodes, with a cost structure competitive the high iron cathode chemistries (in US$/kWh).

Battery Materials Market Overview

Anode Market

In most commercial lithium-ion battery chemistries, over 90% of the anode is composed of graphite. Graphite suitable for battery use can either be produced from naturally mined flake graphite or synthetically from other carbon rich precursors, such as oil refining by-products. We believe that synthetic graphite, specifically NOVONIX's anode material, is better suited for battery anode production, due to its higher Coulombic efficiency and improved capacity retention, leading to longer battery life and less loss of range over time. While the demand for graphite is driven by many end uses, including electrodes, refractories, foundries and lubricants, only the highest purity graphite is suitable for battery use.

As of Q1 2021, Benchmark estimates for each kWh of battery demand, 1.2 kg of graphite is required. Thus, Benchmark estimates that as of Q1 2021 demand for graphite suitable for use in batteries will grow from 256 Kt in 2020 to 1,058 Kt in 2025 to 2,570 Kt in 2030, representing a 32.8% 5-year CAGR and a 26.0% 10-year CAGR.

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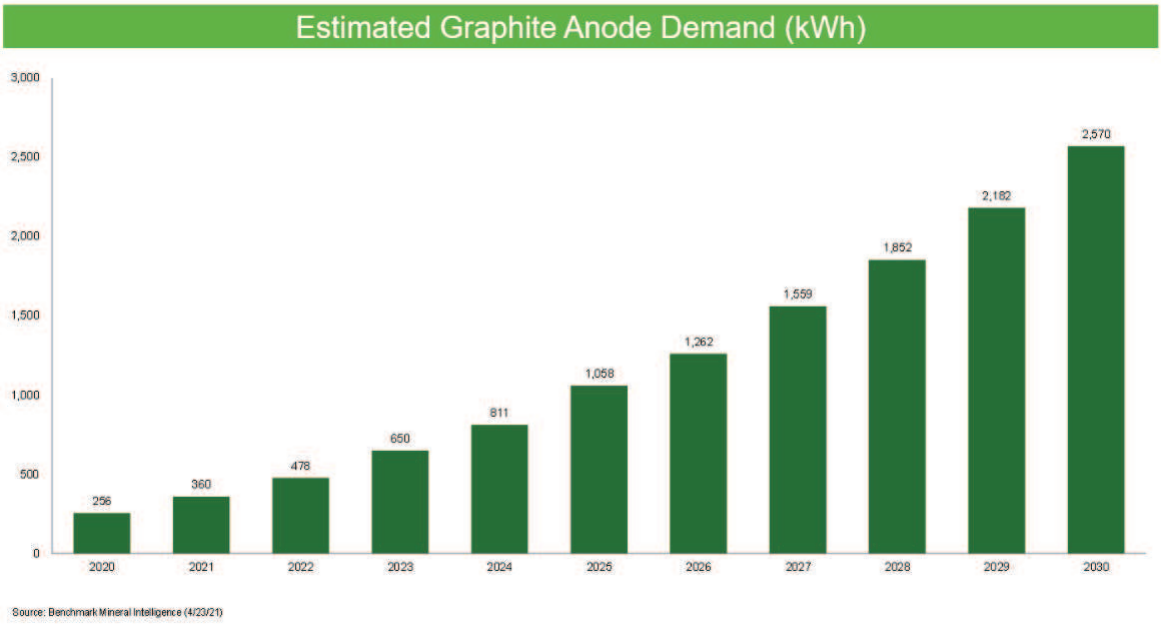
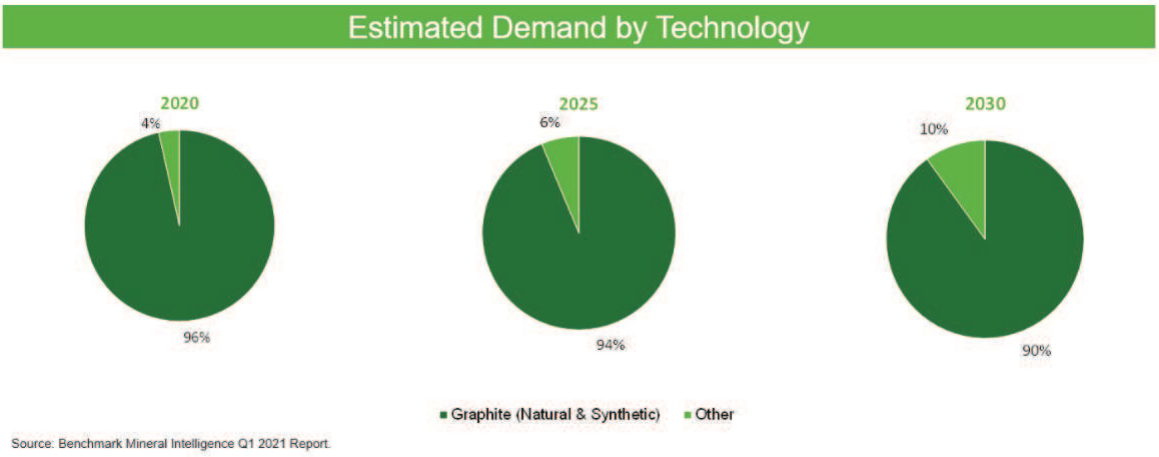
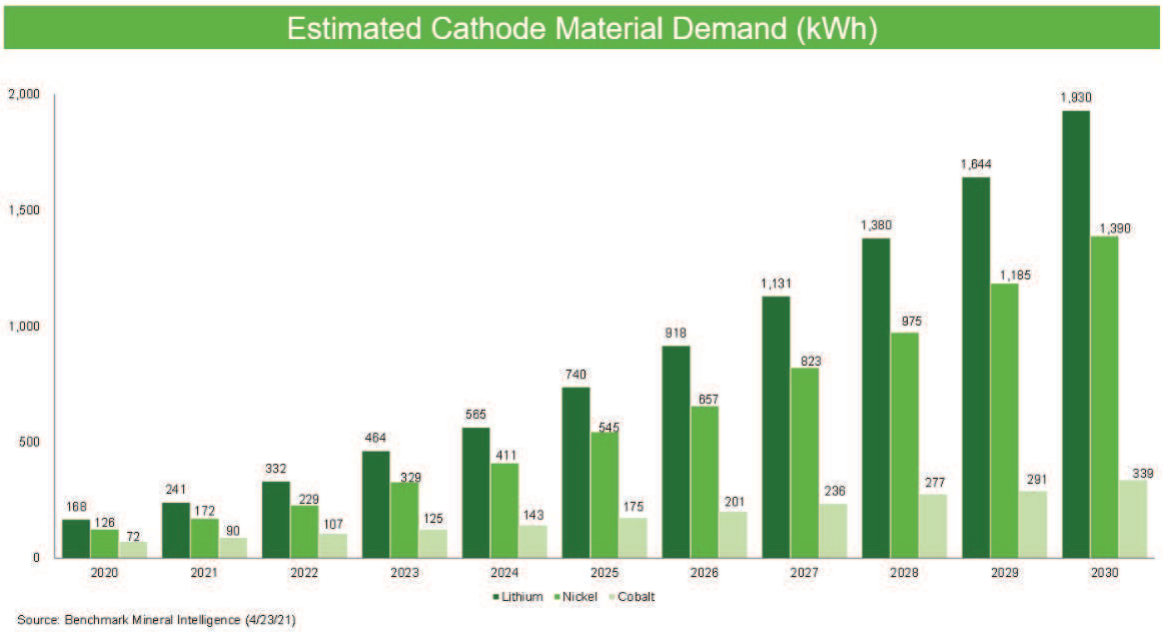


Other potential anode technologies include silicon, solid state, lithium titanate and mesocarbon microbeads. While silicon and solid state batteries are expected to increase their market share over time, as of Q1 2021 Benchmark expects graphite to remain the dominant anode raw material and to account for 90% of anode demand by 2030 due to its reliability and well known properties.



Cathode Market

The growth in NCM, NCA, and LFP batteries, due to the growth in the EV market, is expected to result in significant growth in the raw materials making up these cathode technologies, specifically lithium, nickel and cobalt. As of Q1 2021, Benchmark estimates that in 2020, for each kWh of battery demand, 0.76 kg of lithium, 0.57 kg of nickel and 0.32 kg of cobalt was required. As of Q1 2021, Benchmark estimates that in 2030, for each kWh of battery demand, 0.81 kg of lithium, 0.58 kg of nickel and 0.14 kg of cobalt will be required. Given the centralized resource location and associated price volatility of cobalt, demand may shift toward cathode chemistries containing less cobalt. This is expected to result in total cathode material (defined as lithium, nickel and cobalt) demand to increase from 365 in 2020 to 1,460 in 2025 and 3,658 in 2030, representing a 31.9% 5-year CAGR and a 25.9% 10-year CAGR respectively.



Competition

The battery materials market consists of a large number of small suppliers (of which we form part of that market), a smaller number of large volume suppliers and a small number of large dominating buyers. As the market is continuously growing, we face the risk that one or more competitors, or a new entrants to the market, will increase their competitive position through aggressive marketing campaigns, product innovation, price discounting, acquisitions or advances in technology. While we strive to remain competitive by way of continuing to develop our products, technologies and associated intellectual property licenses and maintaining competitive pricing. In the event we are unable to adapt to changing market pressures or customer demands, and keep pace with technological change relative to our competitors, or we are forced to reduce pricing in response to competition, our revenue and profit margins could be affected, which could have a material adverse effect on our business and cash flows, financial condition and results of our operations.

Although, to our knowledge, we are the only qualified U.S.-based supplier of battery-grade synthetic graphite anode material, there are four categories of companies that could be considered potential competition. The first are established synthetic graphite manufacturing companies outside of the United States, predominantly in Asia. While these companies do have established manufacturing capacity, they suffer from a geopolitical disadvantage not being located in the United States, and also suffer from higher energy costs. The second category of potential competition are natural graphite mining companies. Natural graphite provides historically cheaper pricing to synthetic, however natural graphite significantly underperforms relative to synthetic graphite in battery testing as well as have potential environmental concerns regarding mining practices. The third potential category of competition are existing graphitization companies in the United States. While these companies have significant furnace operations, there are no graphitization companies that have developed an economic process to manufacture battery grade synthetic graphite, and are yet to achieve commercial qualification with a tier-1 battery manufacturer. The fourth and final category of competition are companies developing disruptive technologies such as silicon anodes and solid state batteries. There are significant marketing materials available to demonstrate the promise of these potential disruptive technologies, but we are unaware of any technology that has a path to develop, a cost competitive product in the foreseeable future that will meet the increasing lifetime requirements for electronic vehicles and energy storage solutions markets and thus be able to capture more than a niche portion of the battery market.

Intellectual Property

As of September 30, 2021, we have rights to one issued patent family and six active patent applications. Our oldest patent was filed with a priority date in 2015.

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The actual protection afforded by a patent varies in each country and is dependent on the type of patent, the scope of its coverage as determined by the patent office or courts in that country, and the availability of legal remedies in the country. The information in the above list is based on our current assessment of patents that we own or control or have exclusively licensed. The information is subject to revision, for example, in the event of changes in the law or legal rulings affecting our patents or if we become aware of new information.

Patents expire, on a country by country basis, at various times depending on various factors, including the filing date of the corresponding patent application(s), the availability of patent term adjustment, patent term extension and supplemental protection certificates and requirements for terminal disclaimers. In most countries, including Australia and the United States, the patent term is 20 years from the earliest claimed filing date of a non-provisional patent application or its foreign equivalent in the applicable country. In the United States, a patent's term can be lengthened in certain cases by a patent term adjustment, which compensates a patentee for administrative delays by the USPTO in examining and granting a patent, or may be shortened if a patent is terminally disclaimed over a commonly owned patent or a patent naming a common inventor and having an earlier expiration date.

We may not be able to develop patentable products or processes or obtain patents from pending patent applications. In the event of patent issuance, the patents may not be entirely sufficient to protect the proprietary technology owned by or licensed to us or our partners. Our current patents, or patents that issue on pending applications, may be challenged, invalidated, infringed or circumvented. In addition, changes to patent laws in the United States or in other countries may limit our ability to defend or enforce our patents, or may apply retroactively to affect the term and/or scope of our patents. Our patents may be challenged by third parties in post-issuance administrative proceedings or in litigation as invalid, not infringed or unenforceable under U.S., U.K, Australian or other foreign laws, or they may be infringed by third parties. As a result, we are or may be from time to time involved in the defense and enforcement of our patent or other intellectual property rights in a court of law and administrative tribunals, such as in USPTO inter partes review or reexamination proceedings, foreign opposition proceedings or related legal and administrative proceedings in the United States and elsewhere. The costs of defending our patents or enforcing our proprietary rights in post-issuance administrative proceedings or litigation may be substantial and the outcome can be uncertain. An adverse outcome may allow third parties to use our proprietary technologies without a license from us.

Furthermore, we rely upon trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary information, in part, by using confidentiality and invention assignment agreements with commercial partners, collaborators, employees and consultants. These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant it ownership of technologies that are developed through a relationship with a third party. These agreements may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our commercial partners, collaborators, employees and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Our commercial success will also depend in part on not infringing upon the proprietary rights of third parties. It is uncertain whether the issuance of any third-party patent would require us to alter its development or commercial strategies for our product candidates or processes, or to obtain licenses or cease certain activities. Our breach of any license agreements or failure to obtain a license to proprietary rights that it may require to develop or commercialize its future products may have an adverse impact on us. If third parties prepare and file patent applications in the United States that also claim technology to which we have rights, we may have to participate in interference or derivation proceedings in the USPTO to determine priority of invention.

We currently rely on our unregistered trademarks, trade names and service marks, as well as our domain names and logos, as appropriate, to market our brands and to build and maintain brand recognition.

Regulation

Our business is subject to regulation in a number of areas. Changes in government, monetary policies and laws and regulations, among other things, can have a significant impact on our assets, operations, financial performance and, ultimately, the value of our company and our ordinary shares. Changes may occur in the U.S.,

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Canada, Australia or any other country in which we operate, or subsequently start to operate. Such changes are likely to be beyond our control and may affect the industries in which we operate generally, our company in particular, or both. Non-compliance with changing laws and regulations may expose the company to legal risk via investigations or litigious proceedings from regulators, counterparties or consumers. This section sets forth a summary of the principal laws and regulations relevant to our business.

Corporations Act and ASX Listing Rules

As a company incorporated in Australia, we remain subject to the Corporations Act 2001 (Cth), or Corporations Act, and we are regulated by both the Australian Securities and Investments Commission, or ASIC, the country's corporate regulator, and the Australian Securities Exchange, or ASX, as an entity listed on that exchange. Accordingly, we must comply with all Corporations Act requirements and the Listing Rules maintained by ASX. Changes to these rules and requirements may have an impact on our assets, operations, financial performance, value or other matters. Breaches of these rules and regulations may give rise to regulatory action from ASIC or ASX or litigious proceedings initiated by other stakeholders.

The Foreign Corrupt Practices Act

The FCPA prohibits any U.S. individual or business from paying, offering, or authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with accounting provisions requiring us to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations.

Environmental, Health and Safety

Our facilities and operations are subject to numerous environmental, health and safety (''EHS'') laws and regulations which require significant capital investment on an ongoing basis and could give rise to unforeseen liability, including as a result of a governmental enforcement action or obligations to remediate contaminated sites, including third-party contaminated sites where we have sent waste for treatment or disposal. EHS laws or their enforcement may become more stringent over time which could increase our operating costs and subject us to additional liabilities.

See ''**Risks Related to Regulatory Matters**'' in ''Risk Factors''.

Environmental, Social and Governance ("ESG")

We believe that an increasing emphasis on environmentally conscious battery technologies is key to a sustainable future with prolific adoption of electric vehicles and grid energy storage systems. Many current manufacturing methods for key battery materials are energy intensive, wasteful or, in other ways, hazardous to the environment and end users and OEMs are showing desire to source materials from cleaner technologies. We are focused on the development of technologies that support key ESG criteria in the field of battery materials and technologies:

- **Longer Life Batteries**. We believe that the use of NOVONIX's synthetic graphite leads to longer life batteries which therefore generate less overall waste in recycling or disposal due to the longer service life the batteries.
- **Higher Energy Efficiency**. Improvements in process technology demonstrated by NOVONIX Anode Materials as well as through NOVONIX's SCC technology have the opportunity to reduce the amount of energy required to produce key battery materials. NOVONIX's proprietary graphitization furnace technology were developed with the objective of being the highest efficiency graphitization technology.
- **Reduced Chemical Usage**. NOVONIX Anode Materials uses no chemical purification so there are no risks of harmful chemical leaks, spills or exposure as well as no required harmful chemical disposal requirements. Additionally, NOVONIX's SCC technology is a dry process, not utilizing chemicals that would typically need to be reclaimed after processing.

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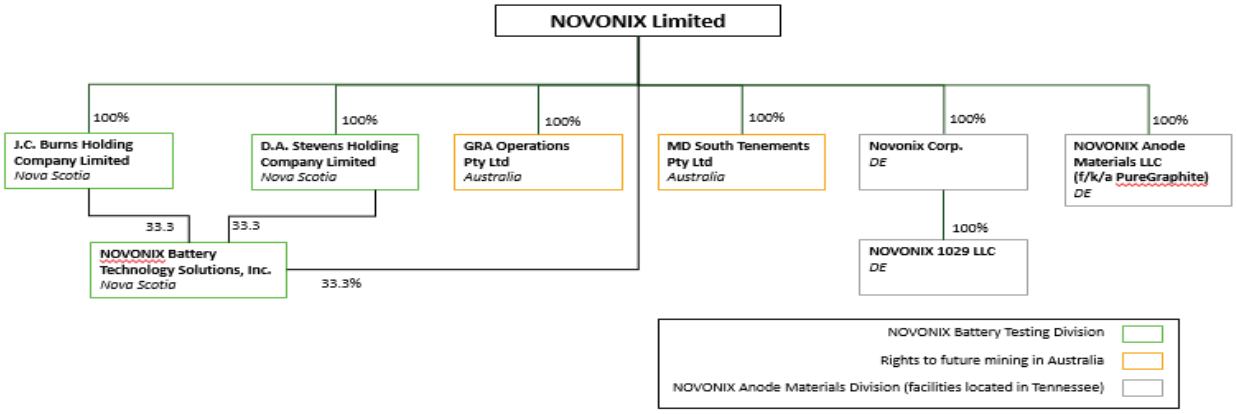
- **Reduced Waste Generation**. NOVONIX is focused on high yield technologies to produce key battery materials. NOVONIX's DPMG technology can allow for the manufacturing of both anode and cathode materials with virtually 100% yield with the potential to have zero no solid waste generation. NOVONIX's SCC technology does not create any waste-water which is commonly produced in current high-nickel cathode manufacturing processes.
- **Cleaner Power Inputs**. NOVONIX is focused on sourcing power for its manufacturing from clean source of energy generation. As such, our current location in the Tennessee Valley Authority has an electrical grid make-up which is over 50% non-carbon producing sources of energy including Nuclear, Hydro, Wind and Solar.

C. Organizational Structure

The chart below contains a summary of our organizational structure and sets out our subsidiaries and associated companies as of September 7, 2021.



D. Property, Plants, and Equipment

We maintain facilities in Chattanooga, Tennessee and Bedford, Nova Scotia, and hold interests in the MDG Project in Queensland, Australia.

Chattanooga, Tennessee

As of May 1, 2021, we lease property with an area of approximately 120,000 square feet. We acquired an additional property with an area of approximately 404,000 square feet in late July 2021. These properties are used in connection with our NOVONIX Anode Materials business.

Halifax, Nova Scotia

We own a property with an area of approximately 22,000 square feet. We also acquired a property with an area of approximately 35,000 square feet in May 2021. These properties are used in connection with our BTS business.

Australia

We hold interests in the MDG Project, a high-grade (18%+) natural graphite deposit located in Australia, which potentially provides us with access to a natural graphite resource, if desirable in the future. Despite the favorable prospects of the MDG Project, NOVONIX had previously put any exploration and development of the MDG Project on hold. In the June 2021 quarter, management initiated a strategic review of the Mt. Dromedary high-grade graphite deposit asset in response to continued sector momentum to evaluate options for furthering exploration and development of the MDG Project.

We continue to hold the MDG Project in good standing while monitoring the state of the global natural graphite market and may advance the MDG Project should the right market conditions or potential strategic transaction emerge.

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We believe our facilities in Chattanooga, Tennessee, and Bedford, Nova Scotia, are adequate and suitable for our current and anticipated needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

As of June 30, 2021, the net book values of tangible fixed assets were as follows:

Asset category	As at June 30, 2021 Net book value A$	As at June 30, 2021 Net book value US$
Land	1,053,875.00	790,011.24
Buildings	6,057,545.00	4,540,888.31
Leasehold Improvements	527,411.00	395,360.57
Plants and Equipment	6,186,323.00	4,637,423.54
Construction WIP	17,753,291.00	13,308,314.09
Total tangible fixed assets	31,578,445.00	23,671,997.75

Item 4A. Unresolved Staff Comments

Not applicable.

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Item 5. Operating and Financial Review and Prospects

The following discussion of our financial condition and results of operations is based upon and should be read in conjunction with our consolidated financial statements and their related notes included in this registration statement on Form 20-F.

Certain information included in this discussion and analysis includes forward-looking statements that are subject to risks and uncertainties, and which may cause actual results to differ materially from those expressed or implied by such forward-looking statements. For further information on important factors that could cause our actual results to differ materially from the results described in the forward-looking statements contained in this discussion and analysis, see "Special Note Regarding Forward-Looking Statements" and "Item 3D. Risk Factors."

A. Operating Results

Overview

NOVONIX provides battery materials and development technology for leading battery manufacturers, materials companies, automotive original equipment manufacturers (''OEMs'') and consumer electronics manufacturers at the forefront of the global electrification economy. Our core mission is to accelerate the continued advancement and scaling of electric vehicle batteries and energy storage solutions through our advanced, proprietary technologies that deliver longer cycle life batteries at lower costs. Through our in-house technology and capabilities, as well as our front-line access to industry trends, we intend to be an industry leader, delivering what we believe to be the most advanced high performance and cost effective battery and energy storage technologies for our customers.

We currently operate two core businesses: *NOVONIX Battery Technology Solutions* (''BTS'') and *NOVONIX Anode Materials* (previously known as PUREgraphite).

BTS provides industry leading battery testing technology and research and development (''R&D'') services to create next generation batteries. BTS also serves as the pillar of innovation across the NOVONIX ecosystem by creating a positive feedback loop with our NOVONIX Anode Materials business as well as our developing applications and partnerships, including our cathode materials business and our work on energy storage solutions with Emera Technologies. This collaboration helps support our continuous technological innovation and enables us to deliver best-in-class products and services for customers.

NOVONIX Anode Materials was established with the objective of commercializing what we believe is the most advanced and cost effective anode material in the market for EV and energy storage applications. These end-markets continue to demand high performance batteries with longer life cycle, while at the same time requiring lower costs to continue to drive mass adoption. Anode materials are one of the most significant components that define the overall performance, reliability, and cycle life of the battery cell. To our knowledge, we are the only qualified U.S.-based producer of battery-grade synthetic graphite anode material and believe NOVONIX Anode Materials is well positioned to support the rapid growth in demand for these advanced anode materials in North America and globally.

In addition to our two core operating businesses, NOVONIX owns the MDG Project, a natural graphite deposit in Queensland, Australia. NOVONIX had previously put any exploration and development of the MDG Project on hold. However, in the June 2021 quarter, management initiated a strategic review of the Mt. Dromedary high-grade graphite deposit asset in response to continued sector momentum to evaluate options for furthering exploration and development of the MDG Project.

NOVONIX Battery Technology Solutions Overview

BTS was founded by researchers from the research group at Dalhousie University, formerly headed by Dr. Jeff Dahn, in 2013 and acquired by us in June 2017. BTS aims to provide cutting edge battery R&D capabilities and technological advantage.

BTS is based in Halifax, Nova Scotia, Canada, and makes what we believe to be the most accurate lithium-ion battery cell test equipment in the world. This equipment is now used by leading battery makers and researchers and equipment manufacturers, including Panasonic, CATL, LG Chemical, Samsung SDI and numerous specialty materials, consumer electronics OEMs and automotive OEMs.

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Since we acquired the business, we have significantly expanded BTS' R&D capabilities through direct investments and our long-term collaborative research agreement with Dalhousie University. BTS now has an established team of leading scientists with an internal battery cell pilot line to prototype and evaluate new materials and cell designs, and extensive battery testing capability, including our proprietary Ultra-High Precision Charger systems.

In fiscal year 2021, BTS' revenues from contracts with customers grew by 23%, compared to fiscal year 2020, due to an increase in sales in the battery consulting division of the business.

We recently expanded our property used in connection with our BTS business to approximately 22,000 square feet (from approximately 13,500 square feet). We also acquired a property with an area of approximately 35,000 square feet in May 2021 for use in our BTS business.

BTS is increasing investment in the intellectual property developed around cathode synthesis technologies that we believe could enable a substantial reduction in the cost of producing high energy density (high-nickel based) cathode materials. We have filed two patent applications which are actively in process around this technology and established a small scale pilot line for development of the technology.

BTS expects to leverage its battery cell pilot line and cell testing capabilities to further expand the dedicated cathode development team and install larger scale pilot synthesis capabilities in order to demonstrate the manufacturability of the technology along with the performance in industrial format lithium-ion cells.

NOVONIX Anode Materials Overview

NOVONIX Anode Materials (formerly PUREgraphite LLC) was established in March 2017 as a joint venture to develop and commercialize ultra-high purity high performance graphite anode material for the lithium-ion battery market focused on electric vehicles, energy storage and specialty applications. In fiscal year 2019, we exercised our call option, pursuant to which we acquired all of our joint venture partner's interest in NOVONIX Anode Materials and increased our ownership to 100%.

NOVONIX Anode Materials exclusively owns all graphite-related intellectual property of its former joint venture partner and has the ongoing exclusivity of its CEO for the development of graphite products and battery anode materials using that technology.

This intellectual property includes innovative high-performance graphite anode materials (demonstrated in internal testing to outperform leading materials currently in the market) and production methods that we expect to deliver production costs significantly lower than existing producers.

In fiscal year 2019, based on customer interest, we decided to expand into commercial-scale premises, and NOVONIX Anode Materials began the relocation of existing plant, equipment and personnel to a larger dedicated facility in Chattanooga, Tennessee, referred to as ''Corporate Place''.

In October 2019, we signed a non-binding memorandum of understanding with SANYO Electric to investigate the opportunity to supply our anode materials for use in lithium-ion battery technology. As of July 2021, the first mass production materials from the Generation 2 furnace system have been shipped to SANYO Electric for qualification.

In December 2019, NOVONIX Anode Materials signed a non-binding memorandum of understanding with Samsung SDI under which the parties aim to agree to the purchase of NOVONIX anode materials. The agreement provides for an initial 500 tonnes of our synthetic graphite material, subject to the satisfaction of Samsung SDI's quality assurance processes and an audit of supplier processes fulfillment. We expect to begin delivering materials under this agreement later in calendar year 2021.

On July 28, 2021, we completed the purchase of an approximately 404,000 square-foot facility in Chattanooga, Tennessee, ''Riverside'' (locally referred to as ''Big Blue'').

NOVONIX Anode Materials is currently expanding the production capacity of its facilities in Chattanooga, Tennessee, and continues to review sites to assist our efforts to expand our production capacity to 10,000 tonnes per year. With our existing cash and cash equivalents, we believe that we have the funds to allow expansion of our production capacity to an expected 10,000 tonnes per year by 2023. We believe our recently consummated Phillips 66 Transaction will help support a capacity expansion of an additional 30,000 tonnes per year, which is expected to be completed by 2025.

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In April 2021, we completed the installation of the first Generation 2 furnace developed through this collaboration and have recently begun production of materials in that Generation 2 system for internal testing and to support customer qualification requirements. We have not yet completed installation of any Generation 3 furnace systems. Our ability to produce at increased capacity is largely dependent upon Harper manufacturing and supplying, and our successful implementation of, either Generation 2 or Generation 3 furnace systems, as well as an increase in staffing focused on plant design and engineering.

MDG Project Overview

The MDG Project is a high-grade (18%+) natural graphite deposit located in an established mining region in Queensland, Australia, which potentially provides us with access to a natural graphite resource, if desirable in the future. Despite the favorable prospects of this project, NOVONIX had previously put any exploration and development of the MDG Project on hold. In the June 2021 quarter, management initiated a strategic review of the Mt. Dromedary high-grade graphite deposit asset in response to continued sector momentum to evaluate options for furthering exploration and development of the MDG Project.

We continue to hold the MDG Project in good standing while monitoring the state of the global natural graphite market and may advance the MDG Project should the right market conditions or potential strategic transaction emerge.

Overview of Financials

The Group has incurred operating losses since 2013. Our ability to generate product revenue sufficient to achieve profitability will be dependent on our ability to begin significant production and commercialization of NOVONIX Anode Materials business' synthetic graphite product. Accordingly, we expect to continue to incur significant expenses as we continue to scale production of our synthetic graphite product, the majority of which will be associated with planned production equipment spend. We expect to incur significant additional costs associated with operating as a public company in the United States, including additional legal, accounting, investor relations, compliance and other expenses.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time, if ever, as we can generate sufficient revenue from synthetic graphite sales, we expect to finance our operations through the issue of equity, debt financings, or other capital sources, which may include collaborations with other companies or other strategic transactions as well as U.S. government financing support and tax incentives. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, scale back or discontinue the development and commercialization of our synthetic graphite product. See ''Risk Factors—***We may need to obtain funding from time to time to finance our growth and operations, which may not be available on acceptable terms, or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce or eliminate certain operations, and we may be unable to adequately control their costs.***''

Because of the numerous risks and uncertainties associated with the commercialization of battery-grade materials, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate product sales, we may never become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to scale back or discontinue our operations. See ''Risk Factors—***We have a history of financial losses and expect to incur significant expenses and continuing losses in the near future.***''

As of September 30, 2021, we had cash and cash equivalents of A$290,971,003 (US$218,119,193). This number is unaudited and does not present all information necessary for an understanding of our financial condition as of September 30, 2021 and our results of operations for the three months ended September 30, 2021. PwC has not audited, reviewed, compiled or performed any procedures with respect to these results and does not express an opinion or any other form of assurance with respect thereto. Based upon our current operating plan, we believe that our existing cash and cash equivalents will enable us to fund our currently expected working capital and capital expenditure requirements, including those necessary to achieve our planned capacity expansion to an expected 10,000 tonnes per year by early 2023. We believe our recently consummated Phillips 66 Transaction will help support a capacity expansion of an additional 30,000 tonnes per year, which is

expected to be completed by 2025. We have based these estimates on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. See ''—Liquidity and Capital Resources.''

Components of Our Results of Operations

Segment Information

Our segments consist of Graphite and Mining Exploration, Battery Technology (BTS) and Battery Materials (NOVONIX Anode Materials). We do not believe that the presentation by segment of profit or loss and other comprehensive income for the periods presented is meaningful to investors. However, in order to comply with the requirement to discuss significant components of revenue and expenses, and to enable investors to understand the consolidated amounts, where applicable we have provided a discussion along segmental lines. As a result, the discussion and analysis of segments is integrated with the discussion of the consolidated amounts to avoid confusion and duplication of disclosure.

Revenue from Contracts with Customers

NOVONIX Battery Technology Solutions. Revenue from contracts with customers is contributed through two primary BTS business lines: 1) hardware sales and 2) consulting services. Our customers include leading battery makers and researchers and equipment manufacturers, including Panasonic, CATL, LG Chemical, Samsung SDI and numerous specialty materials, consumer electronics OEMs and automotive OEMs.

When we sell battery testing equipment, we enter into a contract with our customers covering the price, specifications, delivery dates and warranty for the products being purchased, among other things. Our contractual delivery periods vary, but are typically about three months. Contracts for battery testing equipment can range in value based on the amount of equipment provided and the duration of the contract. Revenue from the sales of BTS hardware is recognized at the point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

The consulting services division provides battery cell design, testing, implementation and support services under fixed and variable price contracts. Contracts for services can range in value based on the duration and scope of the engagement. Revenue from providing services is recognized in the reporting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period based on the resources allocated, costs incurred and actual labor hours spent within the billing period.

Where the contracts include multiple performance obligations, we allocate revenue based on the transaction price to each performance obligation based on the stand-alone selling price for that obligation. Where these performance obligations are not directly observable, they are estimated based on expected cost plus margin.

Our BTS revenue is affected by changes in the price, volume and mix of products and services purchased by BTS' customers. The price and volume of our products is driven by the demand for our products, changes in product mix between equipment and services, geographic mix of our customers, and strength of competitors' product offerings.

NOVONIX Anode Materials. As of the date of this registration statement, we have not generated any revenue from sale of synthetic graphite. If our commercialization efforts for our synthetic graphite product are successful, we may generate revenue from the sale of our synthetic graphite materials. In addition, if we enter into additional collaboration, partnership or license agreements with third parties, we may generate revenue in the future from payments from such collaboration or license agreements or a combination of product sales and those payments.

MDG Project. As of the date of this registration statement, we have not generated any revenue from sale of natural graphite. We do not expect any revenue from our interests in the MDG Project in the near future. However, in the June 2021 quarter, management initiated a strategic review of the Mt. Dromedary high-grade graphite deposit asset in response to continued sector momentum to evaluate options for furthering exploration and development of the MDG Project.

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Other Income

Other income is primarily comprised of interest income and grant revenue. Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Grants from government bodies are recognized at their fair value where there is a reasonable assurance that the grant will be received and that we are able to comply with all conditions for receipt of the grant. Other income also includes gains on revaluation of previously held equity method investments, which can be recognized when we obtain control over the equity method investee.

Cost of Goods Sold

Cost of goods sold consists of product costs, including purchased materials and components, as well as costs related to shipping, which, as at the date of this registration statement, have been in connection with our BTS business only. Our product costs are affected by the underlying cost of raw materials and component costs.

Administrative and Other Expenses

Administrative and other expenses consist primarily of travel expenses, facilities costs, audit, legal, tax, insurance, information technology and other costs.

We expect to incur additional audit, tax, accounting, legal and other costs related to compliance with applicable securities and other regulations, as well as additional insurance, investor relations and other costs associated with being a public company in the United States. In addition, if we cease to qualify as a foreign private issuer in the future, we would expect that we would incur additional expenses as a domestic reporting company in the United States. Deferred share issuance costs, which consist primarily of direct and incremental legal and advisory fees related to the Company's previously announced proposed public capital raising activities in the US, of A$2,175,347 were capitalized in prepayments on the consolidated balance sheet as at June 30, 2021. As our plans with respect to our public capital raising activities in the US are delayed, these costs will be expensed. See ''Risk Factors—***We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.***''

Borrowing Costs

Borrowing costs are recognized in the profit or loss statement in the reporting period in which they are incurred.

Borrowing costs consist primarily of interest accrued on loan notes and borrowings, loss on redemption of loan notes and unwinding of fair value gains.

Impairment Losses

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment includes the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the assets carrying amount over its recoverable amount is recognized immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another accounting standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other accounting standard.

Depreciation and Amortization Expenses

Depreciation expense consists of costs associated with property, plant and equipment (''PP&E'') which are depreciated over their expected useful lives. We expect that as we increase both our revenues and the number of our general and administrative personnel, we will invest in additional PP&E to support our growth resulting in additional depreciation expense.

Amortization expense consists of costs associated with technology intangible assets other than goodwill, which are amortized over their expected useful lives.

Marketing and Project Development Costs

Marketing and project development costs primarily represent the Group's investment in research and development activities. At present, our research and development activities are conducted through our two businesses: BTS and NOVONIX Anode Materials.

Share Based Compensation

Equity-settled share-based compensation benefits are provided to directors and employees. Equity-settled transactions are awards of shares, options or performance rights over shares, that are provided to directors and employees in exchange for the rendering of services.

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either a binomial or Monte Carlo option pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions, including share price volatility, interest rates and vesting periods would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

The cost of equity-settled transactions are recognized as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognized in profit or loss for the reporting period is the cumulative amount calculated at each reporting date less amounts already recognized in previous reporting periods.

Share-based payment expenses are recognized over the period during which the employee provides the relevant services. This period may commence prior to the formal grant date, such as where the granting of options or performance rights are subject to shareholder approval. In this situation, the entity estimates the grant date fair value of the equity instruments for the purposes of recognizing an expense for the services received during the period between service commencement date and grant date. Once the grant date has been established, the fair value of the equity instrument is calculated, and the earlier estimate is revised so that the amount recognized for services received is ultimately based on the grant date fair value of the equity instruments. Where there is a difference between the estimated grant date fair value and the actual grant date fair value, adjusting entries are recognized in share based payment expense and the share based payment reserve.

Employee Benefits Expense

Employee benefits expenses consists of fixed annual remuneration, short term incentives and long term incentives. Employees receive their fixed annual remuneration as cash. Short term incentives are payable on achievement of mutually agreed KPIs each fiscal year with short term incentives being payable in either cash or by way of the issue of fully paid ordinary shares. The Company has historically paid short term incentives as cash.

At the Board's discretion, employees are invited to participate in the Long Term Incentive Program which comprises one-off grants of options and/or performance rights, with varying vesting conditions.

Income Tax Benefit

The income tax expense or benefit for the reporting period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognized for prior reporting periods, where applicable.

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Deferred tax assets and liabilities are recognized for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of recognized and unrecognized deferred tax assets are reviewed at each reporting date. Deferred tax assets recognized are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognized deferred tax assets are recognized to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Results of Operations for the Fiscal Years Ended June 30, 2021 and 2020

The following table sets forth a summary of our consolidated statement of profit or loss and other comprehensive income for the periods presented.

	Year Ended June 30	
	2021 A$	**2020 A$**
Continuing operations		
Revenue from contracts with customers	5,227,347	4,253,435
Cost of goods sold (exclusive of depreciation presented separately)	(969,774)	(1,245,187)
Administrative and other expenses	(3,945,829)	(2,739,398)
Borrowing costs	(229,394)	(5,330,961)
Impairment losses	(2,764,940)	—
Depreciation and amortization expenses	(1,697,754)	(1,380,303)
Marketing and project development costs	(2,809,984)	(2,423,546)
Share based compensation	(5,948,532)	(7,558,953)
Employee benefits expense	(5,837,926)	(4,072,223)
Share of net losses of joint ventures	—	—
Foreign currency gain/(loss)	(83,943)	(376,267)
Other income	984,652	844,877
Loss before income tax expense	(18,076,077)	(20,028,526)
Income tax (expense)/benefit	—	—
Loss from continuing operations	(18,076,077)	(20,028,526)
Other comprehensive income for the year, net of tax		
Items that may be reclassified to profit or loss		
Foreign exchange differences on translation of foreign operations	(2,101,097)	550,243
Total comprehensive loss for the year	(20,177,174)	(19,478,283)
	Cents	**Cents**
Earnings/(loss) per share from continuing operations attributable to the ordinary equity holders of NOVONIX:		
Basic earnings/(loss) per share	(4.9 cents)	(14.7 cents)
Diluted earnings/(loss) per share	(4.9 cents)	(14.7 cents)

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Revenue from Contracts with Customers

Revenue from contracts with customers was A$5,227,347 for the year ended June 30, 2021, compared to A$4,253,435 for the year ended June 30, 2020. The increase was largely due to an increase in demand for the growing service offerings from the consulting division of our BTS business from both existing and new customers.

The following tables present the disaggregated revenue streams for the years ended June 30, 2021 and June 30, 2020.

Year Ended June 30, 2021	Graphite Mining and exploration A$	Battery Technology A$	Battery Materials A$	Total A$
Hardware sales	—	1,405,086	—	1,405,086
Consulting sales	—	3,822,261	—	3,822,261
Revenue from external customers	—	5,227,347	—	5,227,347
Timing of revenue recognition		1,405,086		1,405,086
At a point in time	—	3,822,261	—	3,822,261
Over time	—	5,227,347	—	5,227,347

Year Ended June 30, 2020	Graphite Mining and exploration A$	Battery Technology A$	Battery Materials A$	Total A$
Hardware sales	—	2,113,416	—	2,113,416
Consulting sales	—	2,140,019	—	2,140,019
Revenue from external customers	—	4,253,435	—	4,253,435
Timing of revenue recognition	—	2,113,416	—	2,113,416
At a point in time	—	2,140,019	—	2,140,019
Over time	—	4,253,435	—	4,253,435

Other Income

Other income was A$984,652 for the year ended June 30, 2021, compared to A$844,877 for the year ended June 30, 2020. The slight increase was primarily due to increased grant funding related to COVID-19.

Cost of Goods Sold

Cost of goods sold was A$969,774 for the year ended June 30, 2021, compared to A$1,245,187 for the year ended June 30, 2020. This decrease in cost of goods sold is primarily a result of the growth in revenue from the consulting service side of our BTS business which operates with lower cost of goods sold than the sale of hardware.

Administrative and Other Expenses

Administrative and other expenses were A$3,945,829 for the year ended June 30, 2021, compared to A$2,739,398 for the year ended June 30, 2020. This increase was primarily due to increases in compliance costs and professional fees required to support the business as it continues to grow and further invest in product development and capacity expansion activities including costs associated with preparation for the U.S. listing. Other expenses included within administrative and other expenses for which significant increases were recorded between fiscal year 2020 and fiscal year 2021 was ASX compliance costs (increase from A$ 81,842 to A$260,522), insurance premiums (increase from A$234,544 to A$383,941), directors fees from A$150,450 to A$308,930 and share registry and investor relations services from A$33,390 to $300,041.

Borrowing Costs

Borrowing costs were A$229,394 for the year ended June 30, 2021, compared to A$5,330,961 for the year ended June 30, 2020.

During fiscal year 2020, we simplified our capital structure through the redemption of convertible notes and repayment of short-term loans. This resulted in a loss on redemption of the convertible loan notes of

A$1,765,353 being recognized within borrowing costs, being the difference between the fair value and the carrying value of the convertible loan notes at settlement date.

Interest accrued on convertible loan notes decreased from A$3,062,598 in fiscal year 2020 to nil in fiscal year 2021 because there are no convertible loan notes on issue post the redemption of convertible notes in fiscal year 2020.

Impairment Losses

An impairment loss of A$2,764,940 was recognized in the year ended June 30, 2021, compared to no impairment losses for the year ended June 30, 2020.

In the year ended June 30, 2021, we recognized an impairment loss of A$2,764,940 relating to redundant furnace technology which was replaced with new proprietary furnace technology under our strategic alliance with Harper International Corporation. The impairment loss represents the net book value of fixed assets written off.

Our Directors have assessed that for the exploration and evaluation assets remaining recognized at June 30, 2021, the facts and circumstances do not suggest that the carrying amount may exceed its recoverable amount.

The following table presents impairment losses recognized in the years ended June 30, 2021 and June 30, 2020.

	Consolidated	
	Year Ended June 30	
	2021 A$	2020 A$
Fixed assets	2,764,940	—

Depreciation and Amortization Expenses

Depreciation and amortization expenses were A$1,697,754 for the year ended June 30, 2021, compared to A$1,380,303 for the year ended June 30, 2020. The increase was largely due to an increase in PP&E from A$9,620,797 for the year ended June 30, 2020, to A$31,578,445 for the year ended June 30, 2021, which primarily related to the expansion of our production facilities in Chattanooga, Tennessee.

Marketing and Project Development Costs

Marketing and project development costs were A$2,809,984 for the year ended June 30, 2021, compared to A$2,423,546 for the year ended June 30, 2020. The increase was largely due to increased investment in product and technology development for our NOVONIX Anode Materials business.

Share Based Compensation

Share based compensation was A$5,948,532 for the year ended June 30, 2021, compared to A$7,558,953 for the year ended June 30, 2020. As part of the fiscal year 2020 capital raise, the Group obtained agreement from holders of a total of 40,500,000 options to cancel the options for no consideration. The cancellation of the options resulted in an acceleration of the share-based payment expense, with the unexpensed portion of the share option fair values being expensed in full at the date of cancellation. The accelerated expense amounted to A$1,189,081.

The following table presents the composition of share based payments expense for the years ended June 30, 2021 and June 30, 2020.

	Consolidated	
	Year Ended June 30	
	2021 A$	2020 A$
Share based payments expense		
Performance rights granted	2,952,676	78,362
Options granted	2,995,856	6,291,510
Options cancelled	—	1,189,081
Total share based compensation expense	5,948,532	7,558,953

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Employee Benefits Expense

Employee Benefits expense was A$5,837,926 for the year ended June 30, 2021, compared to A$4,072,223 for the year ended June 30, 2020. The increase was the result of an increase in employees from 36 as at June 30, 2020, to 81 as at June 30, 2021, in line with increased business activities.

Foreign Exchange Differences on Translation of Foreign Operations

Net foreign exchange differences on translation of foreign operations were a loss of A$2,101,097 for the year ended June 30, 2021, compared to a gain of A$550,243 for the year ended June 30, 2020, and represent exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars and is primarily driven by changes to the value of the U.S. dollar. These differences are recognized in other comprehensive income and included in the foreign currency translation reserve in the balance sheet.

Results of Operations for the Fiscal Years Ended June 30, 2020 and 2019

The following table sets forth a summary of our consolidated statement of profit or loss and other comprehensive income for the periods presented.

	Year Ended June 30	
	2020 A$	2019 A$
Continuing operations		
Revenue from contracts with customers	4,253,435	1,817,049
Cost of goods sold (exclusive of depreciation presented separately)	(1,245,187)	(741,280)
Administrative and other expenses	(2,739,398)	(1,671,006)
Borrowing costs	(5,330,961)	(1,565,032)
Impairment losses	—	(15,918,925)
Depreciation and amortization expenses	(1,380,303)	(494,948)
Marketing and project development costs	(2,423,546)	(1,560,551)
Share based compensation	(7,558,953)	(6,673,510)
Employee benefits expense	(4,072,223)	(2,104,176)
Foreign currency (loss)/gain	(376,267)	134,109
Share of net losses of joint ventures	—	(751,981)
Other income	844,877	3,024,684
Loss before income tax expense	(20,028,526)	(26,505,567)
Income tax (expense) benefit	—	383,655
Loss from continuing operations	(20,028,526)	(26,121,912)
Other comprehensive income for the year, net of tax		
Items that may be reclassified to profit or loss		
Foreign exchange differences on translation of foreign operations	550,243	809,396
Total comprehensive loss for the year	(19,478,283)	(25,312,516)
	Cents	**Cents**
Earnings/(loss) per share from continuing operations attributable to the ordinary equity holders of NOVONIX:		
Basic earnings/(loss) per share	(14.7 cents)	(21.2cents)
Diluted earnings/(loss) per share	(14.7 cents)	(21.2cents)

Revenue from Contracts with Customers

Revenue from contracts with customers was A$1,817,049 for the year ended June 30, 2019, compared to A$4,253,435 for the year ended June 30, 2020. The increase was largely due to an increase in sales by the hardware division of our BTS business, primarily driven by a single customer large value contract, and an increase in sales by the consulting services division of our BTS business, which was established in fiscal year 2019 and therefore had a full fiscal year of operations in 2020.

The following tables present the disaggregated revenue streams for the years ended June 30, 2020 and June 30, 2019.

Year Ended June 30, 2020	Graphite Mining and exploration A$	Battery Technology A$	Battery Materials A$	Total A$
Hardware sales	—	2,113,416	—	2,113,416
Consulting sales	—	2,140,019	—	2,140,019
Revenue from external customers	—	4,253,435	—	4,253,435
Timing of revenue recognition				
At a point in time	—	2,113,416	—	2,113,416
Over time	—	2,140,019	—	2,140,019
	—	4,253,435	—	4,253,435

2019	Graphite Mining and exploration A$	Battery Technology A$	Battery Materials A$	Total A$
Hardware sales	—	1,461,266	—	1,461,266
Consulting sales	—	355,783	—	355,783
Revenue from external customers	—	1,817,049	—	1,817,049
Timing of revenue recognition				
At a point in time	—	1,461,266	—	1,461,266
Over time	—	355,783	—	355,783
	—	1,817,049	—	1,817,049

Other Income

Other income was A$3,024,684 for the year ended June 30, 2019, compared to A$844,877 for the year ended June 30, 2020. In fiscal year 2019, a gain on revaluation of equity accounted investment of A$2,576,131 was recorded, which represented a revaluation of the Group's previously held 50% interest in NOVONIX Anode Materials on acquisition of the remaining 50% of the company in 2019.

Grant funding income grew from A$329,573 in fiscal year 2019 to A$785,154 in fiscal year 2020, primarily driven by grant funding of CA$172,493 received through the CEWS in connection with COVID-19-related disruptions, and CA$144,141 research and development tax incentives received.

Cost of Goods Sold

Cost of goods sold was A$741,280 for the year ended June 30, 2019, compared to A$1,245,187 for the year ended June 30, 2020. This increase was primarily due to increased volumes of hardware sales in our BTS business.

Administrative and Other Expenses

Administrative and other expenses were A$1,671,006 for the year ended June 30, 2019, compared to A$2,739,398 for the year ended June 30, 2020. This increase was primarily due to increases in professional fees required to support the business as it continued to invest in product development and capacity expansion activities. Administrative and other expenses included significant increases between fiscal year 2019 and fiscal year 2020 for legal fees (increase from A$242,874 to A$558,745), audit fees (increase from A$148,200 to A$175,855), minor fixed assets written off (increase from A$90,540 to A$210,773) and insurance premiums (increase from A$102,385 to A$234,544).

Borrowing Costs

Borrowing costs were A$1,565,032 for the year ended June 30, 2019, compared to A$5,330,961 for the year ended June 30, 2020.

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During fiscal year 2020, we simplified our capital structure through the redemption of convertible notes and repayment of short-term loans. This resulted in a loss on redemption of the convertible loan notes of A$1,765,353 being recognized within borrowing costs, being the difference between the fair value and the carrying value of the convertible loan notes at settlement date.

Interest accrued on convertible loan notes increased from A$1,373,581 in fiscal year 2019 to A$3,062,598 in fiscal year 2020 as a result of an increase in the number of convertible loan notes on issue and also the number of days in the fiscal year that the convertible loan notes were on issue. This increase is due to an additional A$4,000,000 in convertible loan notes being issued in fiscal year 2020 and A$6,900,000 in convertible loan notes that were issued in March 2019.

Impairment Losses

No impairment loss was recognized in the year ended June 30, 2020.

In the year ended June 30, 2019, we recognized an impairment loss of A$10,667,897 relating to the MDG Project exploration and evaluation assets. Our Directors determined that it was appropriate for the carrying value of the MDG Project to be written down to the Company's assessment of recoverable amount.

The future development of the MDG Project is currently on hold. The primary reasons behind this decision were our belief that, in the medium term, we expect that there will be an oversupply in the broader natural graphite concentrate market and more favorable investment opportunities in manufacturing advanced battery anode materials in our Chattanooga, Tennessee facility and providing battery technologies and services at our battery technology center in Canada.

The MDG Project remains a strategic asset for the Group, and we continue to hold the project in good standing while monitoring the state of the global natural graphite market.

The Directors have assessed that for the exploration and evaluation assets remaining recognized at June 30, 2020, the facts and circumstances do not suggest that the carrying amount may exceed its recoverable amount.

Impairment losses in the year ended June 30, 2019, were also associated with goodwill, brand name and technology associated with BTS.

The following table presents impairment losses recognised in the years ended June 30, 2019 and June 30, 2020.

	Consolidated	
	Year Ended June 30	
	2020 A$	2019 A$
Exploration and evaluation assets	—	10,667,897
Goodwill	—	4,812,127
Identified intangibles - Brand Name	—	374,126
Identified intangibles - Technology	—	64,775
Total Impairment Losses	—	15,918,925

Depreciation and Amortization Expenses

Depreciation and amortization expenses were A$494,948 for the year ended June 30, 2019, compared to A$1,380,303 for the year ended June 30, 2020. The increase was largely due to an increase in PP&E from A$5,984,517 for the year ended June 30, 2019, to A$9,620,797 for the year ended June 30, 2020, which primarily related to the expansion of our production facility in Chattanooga, Tennessee.

Marketing and Project Development Costs

Marketing and project development costs were A$1,560,551 for the year ended June 30, 2019, compared to A$2,423,546 for the year ended June 30, 2020. The increase was largely due to increased investment in product and technology development for our NOVONIX Anode Materials business.

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Share Based Compensation

Share based compensation was A$6,673,510 for the year ended June 30, 2019, compared to A$7,558,953 for the year ended June 30, 2020. As part of the fiscal year 2020 capital raise, the Group obtained agreement from holders of a total of 40,500,000 options to cancel the options for no consideration. The cancellation of the options resulted in an acceleration of the share-based payment expense, with the unexpensed portion of the share option fair values being expensed in full at the date of cancellation. The accelerated expense amounted to A$1,189,081.

The following table presents the composition of share based payments expense for the years ended June 30, 2019 and June 30, 2020.

	Consolidated	
	Year Ended June 30	
	2020 A$	2019 A$
Share based payments expense		
Performance rights granted	78,362	39,025
Options granted	6,291,510	6,634,485
Options cancelled	1,189,081	—
Total share based compensation expense	7,558,953	6,673,510

Employee Benefits Expense

Employee Benefits expense was A$2,104,176 for the year ended June 30, 2019, compared to A$4,072,223 for the year ended June 30, 2020. The increase was the result of an increase in employees from 19 as at June 30, 2019, to 36 as at June 30, 2020, in line with the increased activities of the Group.

Foreign Currency Gain (Loss)

Foreign currency gain for the year ended June 30, 2019 was A$134,109 compared to a foreign currency loss for the year ended June 30, 2020 of A$376,267. Our foreign currency gain/loss fluctuates based on our exposure to transactions denominated in currencies other than our functional currency. The fluctuation is due to changes in the underlying amounts of foreign currency transactions, predominantly USD transactions, and their respective rates.

Share of Net Losses of Joint Ventures

Share of net losses of joint ventures was A$751,981 for the year ended June 30, 2019, compared to nil for the year ended June 30, 2020. The share of net losses of joint ventures in the year ended June 30, 2019, was attributed to our 50% share of NOVONIX Anode Materials in 2019. In the year ended June 30, 2019, we exercised our ‘‘call option’’ and increased our ownership of NOVONIX Anode Materials from 50% to 100%.

Income Tax Benefit

Income tax benefit was A$383,655 for the year ended June 30, 2019, compared to nil for the year ended June 30, 2020. The income tax benefit in the year ended June 30, 2019, related primarily to the amortization of intangible assets, which have been subsequently written off.

Foreign Exchange Differences on Translation of Foreign Operations

Net foreign exchange differences on translation of foreign operations were a gain of A$809,396 for the year ended June 30, 2019, compared to a gain of A$550,243 for the year ended June 30, 2020, and represent exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars and is primarily driven by changes to the value of the U.S. dollar. These differences are recognized in other comprehensive income and included in the foreign currency translation reserve in the balance sheet.

B. Liquidity and Capital Resources

The liquidity and capital resources discussion that follows contains certain estimates as of the date of this registration statement of our estimated future sources and uses of liquidity (including estimated future capital resources and capital expenditures) and future financial and operating results. These estimates represent

prospective financial information and reflect numerous assumptions made by us with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, and matters specific to our businesses, all of which are difficult or impossible to predict and many of which are beyond our control. See ''Special note regarding forward-looking statements''.

Material Cash Commitments and Contractual Maturities

The Company had commitments for payments under exploration permits of A$13,000, A$6,000, and A$5,000 as at June 30, 2021, June 30, 2020, and June 30, 2019, respectively. The Company also has contractual obligations in respect of a non-cancellable operating lease for its production facility ''Corporate Place'' in Chattanooga, Tennessee of A$7,531,188. The Company has recognized a right-of-use asset for this lease. No other material commitments or contractual obligations exist as at June 30, 2021, June 30, 2020 or June 30, 2019.

As at June 30, 2021, the contractual maturities of the Group's non-derivative financial liabilities were as follows:

Contractual maturities of financial liabilities	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
At June 30, 2021	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**
Trade payables	4,356,556	—	—	—	—	4,356,556	4,356,556
Lease liabilities	360,437	361,014	742,275	2,292,090	6,048,571	9,804,386	7,531,188
Borrowings	185,059	212,961	649,094	1,929,055	5,307,377	8,283,546	6,263,625
Total non-derivatives . .	4,902,051	573,975	1,391,369	4,221,145	11,355,948	22,444,488	18,151,369

Sources and Uses of Liquidity

As of September 30, 2021, we had cash and cash equivalents of A$290,971,003 (US$218,119,193). This number is unaudited and does not present all information necessary for an understanding of our financial condition as of September 30, 2021 and our results of operations for the three months ended September 30, 2021. PwC has not audited, reviewed, compiled or performed any procedures with respect to these results and does not express an opinion or any other form of assurance with respect thereto. We believe that our existing cash and cash equivalents, will enable us to fund our currently expected working capital and capital expenditure requirements, including those necessary to achieve our planned capacity expansion to an expected 10,000 tonnes per year by early 2023. We believe our recently consummated Phillips 66 Transaction will help support a capacity expansion of an additional 30,000 tonnes per year, which is expected to be completed by 2025.

Funding Requirements

We believe that our existing cash and cash equivalents (including from the proceeds of our recent equity raises), together with financing that we believe will be available to us, will be sufficient to enable us to fund the continued expansion of our synthetic graphite annual production capacity beyond the 10,000 tonnes per year targeted by 2023. We believe our recently consummated Phillips 66 Transaction will help support a capacity expansion of an additional 30,000 tonnes per year, which is expected to be completed by 2025. We have based these estimates on assumptions that may prove to be wrong, and we could use our capital resources sooner, and require more funding, than we currently expect.

We expect our expenses to continue to increase in connection with our ongoing activities, particularly as we continue to acquire additional real property and purchase additional production equipment associated with the manufacture of synthetic graphite. For example, in May 2021, we purchased commercial land and buildings in Nova Scotia, Canada for C$3,550,000 from which the cathode business will operate. We entered into a C$4,375,000 loan facility to purchase and upgrade the land and buildings, of which C$3,169,216 has been drawn down as of the date of this registration statement. The full facility is repayable in monthly installments, commencing May 2022 and ending in April 2047. In addition, we expect to incur significant commercialization expenses related to sales, marketing, and distribution to the extent that such sales, marketing and distribution are not the responsibility of any future customers. Further, we expect to incur additional costs associated with operating as a public company in the United States. We may find that these efforts are more expensive than we

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currently anticipate or that these efforts may not result in revenues, which would further increase our losses, impact our ability to repay our debt and require future capital raises to maintain the business. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations.

We believe that we will continue to incur operating and net losses in each fiscal year until at least the time we begin significant production of our anode materials, which is not expected to occur earlier than 2023 and may occur later or not at all. These conditions give rise to substantial doubt over our ability to continue as a going concern. If we were not able to continue as a going concern, or if there were continued doubt about our ability to do so, additional financing may not be available to us. See "Risk Factors—***We have a history of financial losses and expect to incur significant expenses and continuing losses in the near future.***"

Until we can generate a sufficient amount of revenue from the sale of synthetic graphite, if ever, we expect to finance our operating activities through our existing liquidity, proceeds from the Phillips 66 Transaction and future financing activities, including a combination of equity offerings, debt financings, collaborations, strategic partnerships and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a holder of ADSs. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, intellectual property, future revenue streams or product candidates. If we are unable to raise additional funds through financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves. See "Risk Factors—***We may need to obtain funding from time to time to finance our growth and operations, which may not be available on acceptable terms, or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce or eliminate certain operations, and we may be unable to adequately control their costs.***"

Our present and future funding requirements will depend on many factors, including, among other things:

- the initiation, progress, timing, and costs associated with our planned capacity expansion, including but not limited to onboarding and training production operators, installation of production equipment, and installation and commissioning of required supporting building and equipment infrastructure;
- costs associated with expanding our organization, including our management infrastructure;
- selling and marketing activities undertaken in connection with the commercialization of our synthetic graphite product; and
- the costs of operating as a public listed company in both Australia and the United States.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Consolidated		
	Year Ended June 30,		
	2021 A$	2020 A$	2019 A$
Net cash outflow from operating activities	(8,172,064)	(5,593,517)	(4,000,087)
Net cash outflow from investing activities	(26,416,355)	(5,502,012)	(7,353,929)
Net cash inflow from financing activities	132,692,546	44,001,975	16,860,740
Net increase in cash and cash equivalents	98,104,127	32,906,446	5,506,724
Effects of foreign currency	(247,813)	(153,448)	182,348
Cash and cash equivalents at the beginning of the year	38,807,662	6,054,664	365,592
Cash and cash equivalents at the end of the year	136,663,976	38,807,662	6,054,664

Operating Activities

For the year ended June 30, 2021, net cash used in operating activities was A$8.2 million, principally attributable to A$14.6 million in payments to suppliers and employees, and partially offset by receipts of customers of A$5.7 million.

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For the year ended June 30, 2020, net cash used in operating activities was A$5.6 million, principally attributable to A$9.7 million in payments to suppliers and employees, and partially offset by receipts of customers of A$3.5 million.

For the year ended June 30, 2019, net cash used in operating activities was A$4.0 million, principally attributable to A$6.5 million in payments to suppliers and employees, and partially offset by receipts of customers of A$2.2 million.

Receipts from customers increased from A$3.5 million in fiscal year 2020 to A$5.7 million in fiscal year 2021, in line with increased revenues achieved by BTS.

Receipts from customers increased from A$2.2 million in fiscal year 2019 to A$3.5 million in fiscal year 2020, in line with increased revenues achieved by BTS.

Payments to suppliers and employees increased from A$9.7 million in fiscal year 2020 to A$14.6 million in fiscal year 2021 in line with increased cost of goods sold and also increased investment in research and development activities, both in our BTS and NOVONIX Anode Materials businesses.

Payments to suppliers and employees increased from A$6.5 million in fiscal year 2019 to A$9.7 million in fiscal year 2020 in line with increased cost of goods sold and also increased investment in research and development activities both in our BTS and NOVONIX Anode Materials businesses.

Investing Activities

For the years ended June 30, 2021, and 2020, net cash used in investing activities was A$26.4 million and A$5.5 million, respectively. The increase in cash used was principally due to a A$20.9 million increase in payments for property, plant and equipment during the year ended June 30, 2021.

For the years ended June 30, 2019, and 2020, net cash used in investing activities was A$7.4 million and A$5.5 million, respectively. The reduction in cash used was principally due to a A$5.2 million net outflow from the acquisition of NOVONIX Anode Materials in the year ended June 30, 2019, which was offset by a A$3.5 million increase in payments for property, plant and equipment during the year ended June 30, 2020.

Financing Activities

For the year ended June 30, 2021, net cash provided by financing activities was A$132.7 million, attributable to A$128.9 million (net of costs) from the issuance of new ordinary shares in a private placement to institutional investors in Australia and A$4 million proceeds from borrowings.

For the year ended June 30, 2020, net cash provided by financing activities was A$44.0 million, attributable to A$45.9 million from the issuance of new ordinary shares in a private placement to institutional investors in Australia and A$6.6 million proceeds from borrowings. These inflows were partially offset by A$1.3 million of capital raising costs and were used to repay A$7.0 million of borrowings.

For the year ended June 30, 2019, net cash provided by financing activities was A$16.9 million from the A$12.3 million proceeds of loan notes and the additional A$4.6 million proceeds from borrowings.

Recently Adopted Accounting Pronouncements

Amendments to Accounting Standards that are Mandatorily Effective for the Financial Year Ended June 30, 2021

We have adopted all of the new and revised Standards and Interpretations issued by the IASB that are relevant to our operations and effective for the financial year ended June 30, 2021.

Other Pronouncements Adopted for the First Time in the Year Ended June 30, 2021

During the fiscal year ended June 30, 2021, we applied a number of amendments to IFRS and Interpretations issued by the IASB that are effective for an annual period that begins on or after January 1, 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in our consolidated financial statements.

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Other Pronouncements Adopted for the First Time in the Year Ended June 30, 2021

During the fiscal year ended June 30, 2021, we applied a number of amendments to IFRS and Interpretations issued by the IASB that are effective for an annual period that begins on or after January 1, 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in our consolidated financial statements.

New and Revised IFRS and Interpretations on Issue But not Yet Effective

The new and revised IFRS, Interpretations and amendments that have been issued but are not yet effective, are not expected to have a material impact on the amounts recognized or disclosures included in our consolidated financial statements.

Emerging Growth Company Status

As a company with less than US$1.07 billion in revenue during our last fiscal year, we qualify as an ''emerging growth company'' as defined in the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- exemption from the auditor attestation requirement of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, in the assessment of our internal controls over financial reporting; and
- (i) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (ii) exemptions from the requirements of holding a non-binding advisory vote on executive compensation, including golden parachute compensation.

We may take advantage of these exemptions until such time that we are no longer an emerging growth company. Accordingly, the information that we provide shareholders and holders of the ADSs may be different than you might obtain from other public companies. We will cease to be an emerging growth company upon the earliest to occur of (i) the last day of the fiscal year in which we have more than US$1.07 billion in annual revenue; (ii) the last day of the fiscal year in which we qualify as a ''large accelerated filer''; (iii) the date on which we have, during the previous three-year period, issued more than US$1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year in which the fifth anniversary of the completion of our first sale of common equity securities pursuant to an effective registration statement under the Securities Act.

Foreign Private Issuer Status

We are also considered a ''foreign private issuer'' under U.S. securities laws. In our capacity as a foreign private issuer, we are exempt from certain rules under the Securities Exchange Act of 1934, as amended, that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our senior management, the members of our board of directors and our principal shareholders are exempt from the reporting and ''short-swing'' profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our securities. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. In addition, we are not required to comply with Regulation FD, which restricts the selective disclosure of material information.

We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We will remain a foreign private issuer until such time that 50% or more of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (i) the majority of the members of board of directors or our senior management are U.S. citizens or residents; (ii) more than 50% of our assets are located in the United States; or (iii) our business is administered principally in the United States.

We have taken advantage of certain reduced reporting and other requirements in this registration statement. Accordingly, the information contained herein may be different from the information you receive from other public companies.

Credit Risk

The Group has no significant concentration of credit risk with respect to any counterparties or on a geographical basis. Amounts are considered as ''past due'' when the debt has not been settled, in line with the terms and conditions agreed between the Group and the customer to the transaction.

The Group assess impairment on trade and other receivables using the simplified approach of the expected credit loss (ECL) model under AASB 9. Due to the minimal history of bad debt write-offs and strong credit approval processes, the Group have determined that the incorporation of the ECL model will not have a material effect on impairment.

The balance of receivables that remain within initial trade terms are considered to be of high credit quality.

Material Weaknesses

Our management has not completed an assessment of the effectiveness of our internal control over financial reporting, and our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. In connection with the preparation of our financial statements as of and for the years ended June 30, 2021 and 2020, we identified certain control deficiencies in the design and implementation of our internal control over financial reporting that constituted material weaknesses. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Our evaluation was based on the Committee of Sponsoring Organizations of the Treadway Commission (''COSO'') Internal Control — Integrated Framework (2013).

The material weaknesses identified by management relate to the following:

- Limited personnel in our accounting and finance functions have resulted in our inability to establish sufficient segregation of duties across the key business and financial processes of our organization;
- Lack of appropriately designed, implemented and documented procedures and controls to allow us to achieve complete, accurate and timely financial reporting, including controls over the preparation and review of account reconciliations and journal entries, and controls over information technology including access and program change management to ensure access to financial data is adequately restricted to appropriate personnel; and
- Lack of personnel with the appropriate knowledge and experience related to SEC reporting requirements to enable us to design and maintain an effective financial reporting process.

As of the date of this registration statement these remain material weaknesses. We cannot assure you that the measures that we have taken, and that will be taken, to remediate these material weaknesses will, in fact, remedy the material weaknesses or will be sufficient to prevent future material weaknesses from occurring. We also cannot assure you that we have identified all of our existing material weaknesses. Material weaknesses may still exist when we report on the effectiveness of our internal control over financial reporting as required under Section 404 of the Sarbanes-Oxley Act.

As part of our plan to remediate these material weaknesses we intend to implement a number of measures to address the material weaknesses that have been identified including: (i) hiring additional accounting and financial reporting personnel with SEC reporting experience, (ii) expanding the capabilities of existing accounting and financial reporting personnel through training and education in SEC rules and regulations, (iii) establishing effective monitoring and oversight controls for non-recurring and complex transactions designed to ensure the accuracy and completeness of the Group's consolidated financial statements and related disclosures, (iv) implementing formal processes and controls to identify, monitor and mitigate segregation of duties conflicts, and (v) improving our IT systems and monitoring of the IT function.

The presence of material weaknesses could result in financial statement errors which, in turn, could lead to errors in our financial reports or delays in our financial reporting, which could require us to restate our financial statements or result in our auditors issuing a qualified audit report. Remediating material weaknesses will absorb management time and will require us to incur additional expenses, which could have a negative effect on the trading price of our ordinary shares and the ADSs. In order to establish and maintain effective disclosure controls and procedures and internal controls over financial reporting, we will need to expend significant resources and provide significant management oversight. Developing, implementing and testing changes to our internal controls may require specific compliance training of our directors and employees, entail substantial costs in order to modify our existing accounting systems, take a significant period of time to complete and divert management's attention from other business concerns. These changes may not, however, be effective in establishing and maintaining adequate internal controls.

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It is possible that, had we and our independent registered public accounting firm performed a formal assessment of the effectiveness of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses may have been identified.

If either we are unable to conclude that we have effective internal controls over financial reporting or our independent registered public accounting firm are unable to provide us with an unqualified report on the effectiveness of our internal controls over financial reporting as required by Section 404(b) of the Sarbanes-Oxley Act, investors may lose confidence in our operating results, the price of our ordinary shares and the ADSs could decline and we may be subject to litigation or regulatory enforcement actions. In addition, if we are unable to meet the requirements of Section 404 of the Sarbanes-Oxley Act, we may not be able to remain listed on Nasdaq.

See ''Risk Factors—***We identified a material weakness in our internal control over financial reporting in connection with the audit of our financial statements for the fiscal year ended June 30, 2021, and we may identify additional material weaknesses in the future that may cause us to fail to meet our reporting obligations or result in material misstatements of our financial statements. If we fail to implement and maintain an effective system of internal controls to remediate our material weaknesses over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence in our company and the market price of the ADSs may be negatively impacted.***''

C. Research and Development, Patents and Licenses, Etc.

Information regarding our research and development and patent matters are detailed in Item 4.B. Business Overview.

D. Trend Information

Our growth strategy and industry trends are detailed in Item 3. Key Information – B. Business Overview. The uncertainties and material commitments such as financial instruments that are likely to have a material effect on our financial condition are described in Item 3. Key Information – D. Risk Factors and Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital resources.

E. Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalized on the basis that the Group intend to commence commercial production in the future, from which time the costs will be amortized in proportion to the depletion of the mineral resources. Key judgments are applied in considering costs to be capitalized which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalized.

In addition, costs are only capitalized that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalized costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Value of intangible assets relating to acquisitions

The Group has allocated portions of the cost of acquisitions to technology intangibles, valued using the relief from royalty method. These calculations require the use of assumptions including future revenue forecasts and a royalty rate. Technology is amortized over its useful life of 5 years.

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Impairment of goodwill and identifiable intangible assets

The Group determines whether goodwill is impaired on an annual basis. This assessment requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated.

Share based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either a binomial or Monte Carlo option pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions, including share price volatility, interest rates and vesting periods would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

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Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth information relating to our directors and senior management as of the date of this registration statement.

Name	Age	Position
Senior Management		
Christopher Burns	34	Chief Executive Officer
Nicholas Liveris	37	Chief Financial Officer
Jeff Dahn	64	Chief Scientific Advisor
Rashda Buttar	52	Senior Vice President & General Counsel
Non-executive Directors		
Anthony Bellas	67	Deputy Chairman and Non-executive Director
Robert Cooper	51	Non-executive Director
Zhanna Golodryga[(1)]	66	Non-executive Director
Andrew Liveris	67	Non-executive Director
Robert Natter	76	Chairman and Non-executive Director
Trevor St Baker	81	Non-executive Director

(1) Ms. Golodryga was nominated in October 2021 by Phillips 66 as part of the consummation of the Phillips 66 Transaction, which granted Phillips 66 the right to appoint one member to the Company's Board of Directors. She was elected by the Company's shareholders on November 30, 2021.

The business addresses for our senior management and board of directors is NOVONIX Limited, Level 8, 46 Edward Street, Brisbane, Queensland 4000, Australia.

Christopher Burns

Dr. Christopher Burns is the company's CEO. He is the founder, president and CEO of NOVONIX Battery Technology Solutions, which he co-founded in Canada in 2013, as well as CEO of NOVONIX Anode Materials. During his candidacy for his PhD at Dalhousie University, he co-developed Ultra-High-Precision-Coulometry (UHPC) technology. Dr. Burns also manages NOVONIX's sponsorship of Dr. Mark Obrovac's laboratory at Dalhousie University. He was also formerly a Senior Research Engineer with TESLA.

Nicholas Liveris

Mr. Nicholas Liveris is the company's CFO. Mr. Liveris was previously the operational CFO for NOVONIX Anode Materials and NOVONIX Battery Technology Solutions. He has also led business development initiatives for the company. Mr. Liveris has more than ten years of experience in investment banking and management consulting. He was previously a Senior Engagement Manager at McKinsey where he led transformation programs for automotive and manufacturing companies. Before joining McKinsey, he was an Investment Banking Analyst at Merrill Lynch covering the transportation sector.

Jeff Dahn

Dr. Jeff Dahn is a leading researcher with over 43 years of experience in the field of lithium-ion batteries and materials who currently serves as our Chief Scientific Advisor. Dr. Dahn obtained a B.Sc. degree in Physics from Dalhousie University in 1978 and completed his Ph.D. at the University of British Columbia in 1982. After completing his Ph.D., Dr. Dahn worked at the National Research Council of Canada (between 1982 and 1984) and at Moli Energy Limited (between 1985 and 1990), where he did pioneering work on lithium-ion battery technology. In 1990, Dr. Dahn accepted a faculty position within the Physics department of Simon Fraser University. In 1996, Dr. Dahr returned to Dalhousie University.

In 2016, Dahn commenced a research partnership with Tesla, which has since been extended until 2026. Dr. Dahn is the author or co-author of over 730 refereed academic publications and 73 inventions with patents issued or filed.

Dr. Dahn has received a number of national and international awards and recognitions, including the Battery Division Research Award from The Electrochemical Society in 1996, the ''Technology Award'' from the ECS Battery Division in 2011, the Governor General's Innovation Award in 2016 and the Gerhard Herzberg Gold Medal in Science and Engineering, which is regarded as Canada's top science award, in 2017. Dr. Dahn was appointed Fellow of the Royal Society of Canada in 2001 and named an Officer of the Order of Canada in 2020.

Rashda Buttar

Rashda M. Buttar is the company's Senior Vice President & General Counsel. Before joining the company in April 2021, Ms. Buttar served as Senior Vice President - General Counsel & Corporate Secretary of Foresight Energy LP from 2011 to 2017. Ms. Buttar served as Vice President, Associate General Counsel and Corporate Secretary of Patriot Coal Corporation from 2007 to 2011 and Assistant General Counsel and Assistant Corporate Secretary of TALX Corporation from 2003 to 2007. Ms. Buttar received her Juris Doctor from Saint Louis University School of Law and her undergraduate degree in Russian and Eastern European Studies and Political Science from Saint Louis University.

Non-executive Directors

Anthony Bellas

Mr. Anthony Bellas was appointed as Deputy Chairman of the Company on November 30, 2021. Mr. Bellas previously served as Chairman of the Company since August 11, 2015. He brings over 30 years of experience in the public and private sectors. Mr. Bellas was previously CEO of the Seymour Group, one of Queensland's largest private investment and development companies. Prior to joining the Seymour Group, Mr. Bellas held the position of CEO of Ergon Energy, a Queensland Government-owned corporation involved in electricity distribution and retailing. Before that, he was CEO of CS Energy, also a Queensland Government-owned corporation and the State's largest electricity generation company, operating over 3,500 MW of gas-fired and coal-fired plant at four locations. Mr. Bellas had a long career with Queensland Treasury, achieving the position of Deputy Under Treasurer. Mr. Bellas is also a director of Loch Exploration Pty Ltd, Colonial Goldfields Pty Ltd and West Bengal Resources (Australia) Pty Ltd.

Robert Cooper

Mr. Robert Cooper is a Non-Executive Director of the Company. Mr. Cooper is a mining engineer with almost 30 years' industry experience, having held leadership roles across a diverse range of commodities, both in Australia and overseas. He has a broad foundation of operating and technical experience in both operations and project development. Mr. Cooper has previously held leadership positions with BHP Billiton as General Manager of Leinster Nickel Operations within Nickel West, and as Asset President of Ekati Diamonds in Canada. He also held positions with Discovery Metals as General Manager-Operations in Botswana and as General Manager-Development in their Brisbane office. Robert is currently the CEO of Round Oak Minerals Pty Limited, a 100% owned subsidiary of the Washington H Soul Pattinson Group of companies.

Zhanna Golodryga

Ms. Zhanna Golodryga is a Non-Executive Director of the Company. Ms. Golodryga is the Senior Vice President and Chief Digital and Administrative Officer of Phillips 66. Prior to joining Phillips 66, Ms. Golodryga served as Chief Information Officer and Senior Vice President, Services at Hess Corporation with responsibility for managing the company's service organizations including global supply chain, global business transformation program, and global office services, as well as information management, enterprise architecture, infrastructure and cybersecurity.

Ms. Golodryga was nominated in October 2021 by Phillips 66 as part of the consummation of the Phillips 66 Transaction, which granted Phillips 66 the right to appoint one member to the Company's Board of Directors. She was elected by the Company's shareholders on November 30, 2021.

Andrew Liveris AO

Mr. Andrew Liveris AO is a Non-Executive Director of the Company. Mr. Liveris is the former Chairman and Chief Executive Officer of The Dow Chemical Company and former Executive Chairman of DowDuPont. Mr. Liveris is a recognized global business leader with more than 42 years at Dow and experience in manufacturing, engineering, sales, marketing, and business and general management.

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Mr. Liveris is also a Director at IBM and Saudi Aramco, Deputy Chairman at Worley, and Chairman at Lucid Motors and the Minderoo Foundation. He is on the advisory board of Sumitomo Mitsui Banking Corporation, Teneo (a global CEO consulting and advisory firm), and NEOM (an initiative driven by Saudi Vision 2030). He is Chairman of the BlackRock Long Term Private Capital Fund and a Special Advisor to the Public Investment Fund. Mr. Liveris serves as a Trustee for the King Abdullah University of Science and Technology and is a member of the Concordia Leadership Council.

Robert Natter

Admiral Robert J. Natter serves as our Chairman and Non-executive Director effective as of November 30, 2021. He previously served as an Executive Director from September 30, 2020. He retired from active military service in 2003 and has significant experience in both the government and private sectors in the North American market.

During his Navy career, Admiral Natter served as the Commander of the U.S. Seventh Fleet operating throughout Asia and the Indian Ocean, Commander in Chief of the U.S Atlantic Fleet and the first Commander of U.S. Fleet Forces Command, overseeing all Continental U.S. Navy bases, facilities and training operations. For six years until 2018, Admiral Natter was Chairman of the U.S. Naval Academy Alumni Association Board of Trustees, representing about 60,000 living graduates. He currently serves on the Board of the Naval Academy Foundation, and also served on the Boards of the National Navy SEAL Museum and the Yellow Ribbon Fund.

Admiral Natter also serves on the Board of Directors of Allied Universal Security Company with over 720,000 employees world-wide. He was previously a Director of Corporate Travel Management, specializing in corporate employee travel throughout Australia, Asia, Europe, and the United States. Until December 2020, Admiral Natter was also the Chairman of the Board of Physical Optics Corp (POC) in Torrance, California.

Trevor St Baker AO

Mr. Trevor St Baker AO is a Non-Executive Director of the Company. Mr. St Baker has over 60 years' experience in the energy industry, including 23 years in planning and leadership roles within NSW and Queensland Electricity Commissions, 12 years as Principal of ERM Consultants then founding ERM Power Ltd which was acquired by Shell for A$617 million in November 2019.

Mr. St Baker is currently Chairman of Sunset Power International t/a Delta Electricity and the founder and a Director of the St Baker Energy Innovation Fund.

Mr. St Baker is an investor and director of leading global electric vehicle DC fast charge developer and manufacturer, Tritium Pty Ltd. He is also Chairman of Nth Degree Worldwide Technologies Inc, and of Printed Energy Pty Ltd, both of Tempe Arizona, and a Director of CareWear Corp, of Reno NY. Mr. St Baker is also a founding director of SMR Nuclear Technology Pty Ltd. Mr. St Baker also co-founded the St Baker Wilkes Indigenous Educational Foundation Limited, and he and his wife have established the Trevor & Judith St. Baker Philanthropic Trust.

Mr. St Baker has appointed Mr. Chris Hay to act as his alternate on the Board of the Company. Mr. Hay is an experienced senior executive and investment professional with direct investment experience with private equity and venture capital. As Mr. St Baker's alternate, Mr. Hay is entitled to attend meetings of the directors of the Company, and exercises Mr. St Baker's powers as a director, when Mr. St. Baker is not able to do so.

Family Relationships

Andrew Liveris, a non-executive director, is the father of the Group's Chief Financial Officer, Nick Liveris. Until September 2020, Mr. St Baker's son, Philip St Baker, served as the Group's Managing Director.

B. Compensation

Overview

Our remuneration policy is to align director and senior management objectives with shareholder and business objectives by providing a fixed remuneration component and typically offering short-term and long-term incentives based on key performance areas. Our board of directors believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage

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the consolidated entity, as well as create goal congruence between directors, executives and shareholders. Our board of directors and the Remuneration Committee are responsible for determining the appropriate remuneration package for our directors and senior management, including our Chief Executive Officer.

Remuneration of Senior Management

Our senior management receive fixed annual remuneration of cash salary and employee benefit coverage, short-term incentives under our annual bonus program and long-term incentives in the form of equity awards.

All senior management are eligible to receive an annual cash bonus at the end of the financial year subject to the executive achieving the key performance indicators set for them during the financial year. We reserve the right to pay any annual cash bonus in the form of fully paid ordinary shares at the sole discretion of our board of directors. For the purpose of calculating the number of shares to be issued to the executive, the issue price of the ordinary shares is based on the 10-day volume weighted average price of ordinary shares immediately prior to the issue.

Our senior management participate at the discretion of our board of directors in our Long Term Incentive Program (or ''LTIP''), consisting of one-off grants of options or performance rights, with varying vesting conditions. We do not have a formal grant practice under the LTIP; rather, incentives are awarded at the discretion of our board of directors. Performance rights convertible into 1,500,000 ordinary shares (in the case of our Chief Executive Officer) and 750,000 ordinary shares (in the case of our Chief Financial Officer) were awarded to senior management during the fiscal year ended June 30, 2021. Performance rights convertible into 200,000 ordinary shares were awarded to each of our Chief Executive Officer and Chief Financial Officer on November 30, 2021. Performance rights convertible into 1,000,000 ordinary shares were awarded to our Chief Scientific Advisor on July 1, 2021, subject to a vesting schedule of one-quarter per year starting July 1, 2022. Performance rights convertible into 150,000 ordinary shares were awarded to our Senior Vice President & General Counsel on October 6, 2021, subject to a vesting schedule of one-quarter per year starting April 22, 2022.

Remuneration of Non-Executive Directors

The non-executive chairman receives cash fees of USD$106,000 per year including superannuation. The non-executive deputy chairman receives cash fees of USD$70,000 per year including superannuation. Other non-executive directors receive USD$50,000 per year inclusive of superannuation. Committee Chair fees range from USD$12,500 to USD$20,000 and Committee Membership fees range from USD$6,750 to USD$10,000 per year inclusive of superannuation, are also paid. Fees are reviewed annually by the board taking into account comparable roles. The current base fees were reviewed with effect from July 1, 2021.

The non-executive Directors' fee pool is USD$600,000 (excluding share based payments).

In addition to the cash fees noted above, non-executive directors receive an annual reward of USD$110,000 of Share Rights.

Employment Agreements with Senior Management

We entered into employment agreements with our Chief Executive Officer, Chief Financial Officer and Senior Vice President & General Counsel as of July 1, 2021. The employment agreements generally provide for the following remuneration:

- Annual base salary of US$646,800 (in the case of our Chief Executive Officer), US$400,000 (in the case of our Chief Financial Officer) and US$361,500 (in the case of our Senior Vice President & General Counsel), which is to be reviewed annually by our board of directors;
- Annual bonus of up to 100% of base salary (in the case of our Chief Executive Officer and Chief Financial Officer) and up to 50% of base salary (in the case of our Senior Vice President & General Counsel) (which may be increased or decreased in extraordinary circumstances, in the complete discretion of the board of directors), based on the achievement of key performance indicators approved by the board of directors; and
- Annual long-term incentive opportunity with a target value based on a number of shares with a value of US$1,796,000 (in the case of our Chief Executive Officer), US$526,900 (in the case of our Chief

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Financial Officer) and US$442,100 (in the case of our Senior Vice President & General Counsel) for the three-year performance period commencing July 1, 2021; and an initial grant of performance rights of 150,000 shares (in the case of our Senior Vice President & General Counsel) and subject to a vesting schedule of one-quarter per year starting April 22, 2022.

In the event we terminate the executive without cause or the executive terminates for good reason (as defined in the executive's agreement), the executive will be entitled to receive the sum of twelve months of base salary and the executive's target annual bonus for the year of termination, plus a prorated portion of the executive's annual bonus for the year of termination (subject to achievement of the key performance indicators, unless the termination occurs within twelve months following a change in control) and continuation of health and welfare benefits for twelve months.

In addition, upon termination without cause or for good reason, the executive will be entitled to vesting of a portion of the executive's outstanding long-term incentive awards, to the same extent as if the executive had continued in employment for an additional twelve months, and all outstanding long-term incentive awards will fully vest on the occurrence of a change in control.

In connection with their employment agreements, our Chief Executive Officer, Chief Financial Officer and Senior Vice President & General Counsel also entered into restrictive covenant agreements, which generally provide the executive will not compete with us nor solicit our customers, suppliers or employees during the term of employment and following termination for any reason for a period of one year.

Remuneration of Our Directors and Senior Management During the Fiscal Year Ended June 30, 2021

Details of the remuneration of our non-executive directors and senior management for our fiscal year ended June 30, 2021, are set forth below.

Name	Salary (A$)	Short-Term Incentive (A$)	Long-Term Incentive (A$)	Termination benefits (A$)	Discretionary payments (A$)	Superannuation (A$)	Total (A$)
Executive Directors							
Philip St. Baker[(1)]	22,951	—	—	75,000	—	1,536	99,487
Robert Natter[(4)]	163,194	—	—	—	50,000	—	213,194
Other Senior Management							
Christopher Burns	365,560	210,000	1,590,000	—	100,000	—	2,165,560
Nicholas Liveris	299,433	192,000	795,000	—	100,000	—	1,286,433
Rashda Buttar[(3)]	61,962	22,700	—	—	—	—	84,662
Non-Executive Directors							
Anthony Bellas[(5)]	71,005	—	—	—	50,000	6,714	127,719
Gregory Baynton[(2)]	60,300	—	—	—	—	5,729	66,029
Robert Cooper	71,005	—	—	—	—	6,745	77,750
Andrew Liveris	51,005	—	—	—	—	4,845	55,850
Trevor St Baker	39,245	—	—	—	—	3,728	42,973

(1) Mr. Philip St. Baker ceased serving as our Managing Director effective September 23, 2020.

(2) Mr. Baynton ceased serving as an Executive Director effective September 30, 2020 and a non-executive director effective November 30, 2021.

(3) Ms. Buttar was appointed to the position of Senior Vice President and General Counsel on April 22, 2021.

(4) Admiral Natter became our Executive Director effective September 23, 2020 and a Non-Executive Director and our Chairman effective November 30, 2021.

(5) Mr. Bellas served as the Company's Chairman until November 30, 2021. Mr. Bellas currently serves as the Company's Deputy Chairman.

C. Board Practices

Board of Directors

Our board of directors currently consists of six members and one alternate director. Under our Constitution and the ASX Listing Rules, we must hold an election of directors each year at our annual general meeting of

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shareholders. A director (other than our managing director) must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is longer. If there would otherwise not be a vacancy on the board, and no director is required to retire, then the director who has been longest in office since last being elected must retire. The retirement of a director from office under the Constitution and the re-election of a director or the election of another person to that office (as the case may be) takes effect at the conclusion of the meeting at which the retirement and re-election or election occurs.

The membership of our board of directors is directed by the following recommendations and requirements as set forth in the Corporations Act, the ASX Listing Rules and Corporate Governance Principles and Recommendations, our Constitution and our Board Charter, as applicable:

- there will be a minimum of three directors, half of our directors should be non-executive directors, and, unless shareholders in a general meeting resolve otherwise, there will be a maximum of 12 directors. The appointment of an alternate director does not count towards the total number of directors. Within those limits, our board of directors may determine the number of directors to serve on our board at any one time;
- the majority of our board of directors should be (but is not required to be) independent, as recommended by recommendation 2.4 of the ASX Corporate Governance Principles and Recommendations, which differs from the independence standards under Nasdaq corporate governance listing standards;
- our board of directors has the power to appoint any person to be a director, either to fill a vacancy or as an additional director (provided that the total number of directors does not exceed the maximum number of directors permitted), and any director so appointed will hold office until the end of the next annual general meeting when he or she must go for re-election by way of ordinary resolution;
- a director may, with the approval of a majority of the board of directors, appoint a person to be that director's alternate director for any period that director decides, whom in the appointing directors absence may exercise any power that the appointer may exercise and attend and vote in place of or on behalf of the appointing director, and will hold office until the office of the appointing director is vacated or the alternate director's appointment is terminated or suspended by a majority of the board of directors; and
- our board of directors should, collectively, have a broad range of experience, expertise, skills and contacts relevant to the Group and its business.

Our board of directors has delegated responsibility for the strategic and operational management of our businesses to the Chief Executive Officer but remains responsible for overseeing the performance of management. The principal roles and responsibilities of our board of directors include the following:

- providing leadership and setting the strategic objectives of the Group;
- determining the board's composition, including appointment and retirement or removal of the Chairman and Deputy Chairman (if applicable);
- oversight of the Group (including its control and accountability systems);
- appointing and removing the Chief Executive Officer or equivalent;
- where appropriate, ratifying the appointment and the removal of senior executives of the Company;
- reviewing, ratifying and monitoring the risk management framework and setting the risk appetite within which the board expects management to operate;
- approving and formulating company strategy and policy, monitoring senior executive's implementation of strategy;
- approving and monitoring operating budgets and major capital expenditure
- overseeing the integrity of the Group's accounting and corporate reporting systems, including the external audit;
- monitoring industry developments relevant to the Group and its business;

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- developing suitable key indicators of financial performance for the Group and its business;
- overseeing the Group's corporate strategy and performance objectives developed by management;
- overseeing the Group's compliance with its continuous disclosure obligations;
- approving the Group's remuneration framework;
- monitoring the overall corporate governance of the Group (including its strategic direction and goals for management, and the achievement of these goals); and
- oversight of committees of the board.

Our board of directors has established delegated limits of authority, which define the matters that are delegated to management and those that require board of director approval. Under the Corporations Act, at least one of our directors must be a resident Australian. None of our non-executive directors have any service contracts with us that provide for benefits upon termination of employment. Under our Board Charter, the board of directors is required to meet at least six times per year.

Board Committees

To assist with the effective discharge of its duties, the board of directors has established an Audit and Risk Committee and a Remuneration Committee. The Audit and Risk Committee, Remuneration Committee and any other committee that is established by the board from time to time, operates under a charter approved by our board of directors, which sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership, committee structure and operations and committee reporting to the board of directors.

Audit and Risk Committee

The members of our Audit and Risk Committee are Mr. Anthony Bellas, Mr. Robert Cooper and Ms. Zhanna Golodryga. The chairperson of our Audit and Risk Committee is Mr. Bellas effective November 30, 2021. Mr. Cooper previously served as the chairperson of our Audit and Risk Committee. Each member of our Audit and Risk Committee can read and understand fundamental financial statements in accordance with applicable requirements. The board of directors has determined that Mr. Bellas qualifies as an ''audit committee financial expert,'' as such term is defined in the rules of the SEC, and that Mr. Bellas and Mr. Cooper are independent, as independence is defined under the rules of the SEC and the Nasdaq applicable to foreign private issuers.

The charter for our Audit and Risk Committee requires the committee to consist of at least three directors, a majority of whom must be non-executive directors who should also be independent directors. The chairperson of our Audit and Risk Committee must be an independent director and cannot be the chairperson of our board of directors. The Audit and Risk Committee is required to hold at least three meetings per financial year.

The role of the Audit and Risk Committee is to advise our board of directors on the establishment and maintenance of a framework of internal controls for the Group's management and assist our board of directors with policy on the quality and reliability of financial information prepared for use by the board. Specific responsibilities of our Audit and Risk Committee include:

- monitoring the establishment of an appropriate internal control framework, including information systems, and its operation and considering enhancements;
- assessing corporate risk (including economic, environmental and social sustainability risks) and compliance with internal controls;
- overseeing business continuity planning and risk mitigation arrangements;
- assessing the objectivity and performance of the internal audit function and considering enhancements;
- reviewing reports on any material misappropriation, frauds and thefts from the Group;
- reviewing reports on the adequacy of insurance coverage;
- monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by the committee secretary in relation to those requirements;

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- reviewing material transactions which are not a normal part of the Group's business;
- reviewing the nomination, performance and independence of the external auditors, including recommendations to the board for the appointment or removal of any external auditor and the rotation of the audit engagement partner;
- liaising with the external auditors and monitoring the conduct, scope and adequacy of the annual external audit;
- reviewing management corporate reporting processes supporting external reporting, including the appropriateness of the accounting judgments or choices made by management in preparing the financial reports and statements;
- reviewing financial statements and other financial information distributed externally, including considering whether the financial statements reflect the understanding of the ARM Committee and otherwise provide a true and fair view of the financial position and performance of the Group;
- preparing and recommending for approval by the Board the corporate governance statement for inclusion in the annual report or any other public document;
- reviewing external audit reports and monitoring, where major deficiencies or breakdowns in controls or procedures have been identified, remedial action taken by management;
- reviewing any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor; and
- reviewing and monitoring compliance with the Code of Conduct.

Remuneration Committee

The members of our Remuneration Committee are Mr. Anthony Bellas, Mr. Robert Cooper and Mr. Andrew Liveris. The chairperson of our Remuneration Committee is Mr. Cooper. The role of the Remuneration Committee is to advise our board of directors on remuneration and issues relevant to remuneration policies and practices, including for our senior management and non-executive directors. The Remuneration Committee is required to hold at least two regular meetings each year. Specific responsibilities of our Remuneration Committee include:

- reviewing and evaluating relevant market practices and trends for remuneration relevant to the Group;
- reviewing and making recommendations to our board of directors for our remuneration practices, policies and framework, including in relation to equity-based remuneration plans and superannuation arrangements and the allocation of the directors' fee pool;
- overseeing the performance and reviewing and making recommendations to our board of directors for the remuneration packages of our senior management and non-executive directors;
- preparing for our board of directors any report that may be required under applicable legal or regulatory requirements about remuneration matters and reviewing our reporting and disclosure practices in relation to the remuneration of our senior management and non-executive directors; and
- reviewing, making recommendations to our board of directors on remuneration by gender and other diversity criteria, reporting to our board of directors as necessary to facilitate compliance with our diversity policy, and reviewing and reporting to the board, at least annually, on the proportion of women and men in the workforce at all levels of the Group, and their relative levels of remuneration.

Foreign Private Issuer Exemption

We qualify as a ''foreign private issuer'' as defined in Section 405 of the Securities Act of 1933, as amended. As a foreign private issuer, we are exempt from certain rules under the Exchange Act that impose disclosure requirements as well as procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, the members of our board of directors and senior management are not subject to short-swing profit and insider trading reporting obligations under Section 16 of the Exchange Act. They will, however, be subject to the obligations to report changes in share ownership under Section 13 of the Exchange Act and related SEC rules, to the extent applicable.

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The foreign private issuer exemption will also permit us to follow home country corporate governance practices or requirements instead of certain Nasdaq listing requirements, including the following:

- We expect to rely on an exemption from the requirements that a majority of our directors be independent. The ASX Listing Rules and the Corporations Act do not have such a requirement, although it is recommended.
- We expect to rely on an exemption from the requirement that our independent directors meet regularly in executive sessions under Nasdaq listing rules. The ASX Listing Rules and the Corporations Act do not require the independent directors of an Australian company to have such executive sessions.
- We expect to rely on an exemption from the quorum requirements applicable to meetings of shareholders under Nasdaq listing rules. In compliance with Australian law, our Constitution provides that two shareholders present, in person or by proxy, attorney or a representative, shall constitute a quorum for a general meeting. Nasdaq listing rules require that an issuer provide for a quorum as specified in its by-laws for any meeting of the holders of ordinary shares, which quorum may not be less than 33 1/3% of the outstanding voting ordinary shares.
- We expect to follow applicable Australian law and the ASX Listing Rules regarding prior shareholder approval in lieu of the requirement prescribed by Nasdaq listing rules that issuers obtain shareholder approval prior to the issuance of securities in connection with certain acquisitions, private placements of securities, or the establishment or amendment of certain stock option, purchase or other compensation plans. Applicable Australian law and the ASX Listing Rules differ from Nasdaq requirements, with the ASX Listing Rules requiring prior shareholder approval for issuance of equity securities in a number of circumstances, including (i) issuance of equity securities exceeding 15% of our issued share capital in any 12-month period (but, in determining the 15% limit, securities issued under certain exceptions to the rule or with shareholder approval are not counted), (ii) subject to certain exceptions, issuance of equity securities to related parties (as defined in the ASX Listing Rules) and (iii) issuances of securities to directors or their associates under an employee incentive plan.
- We expect to maintain a Remuneration Committee, but certain members may be non-independent directors; however, we do not expect to maintain a Nominating and Corporate Governance Committee. The ASX Listing Rules and the Corporations Act do not require the establishment of a Remuneration Committee or a Nominating and Corporate Governance Committee, and if established, do not require all members to be independent directors.

These exemptions do not modify the independence requirements for our Audit and Risk Committee, and we intend to comply with the requirements of the Sarbanes-Oxley Act and the Nasdaq listing rules, which require that our Audit and Risk Committee be composed of at least three independent members. Rule 10A-3 under the Exchange Act provides that the Audit and Risk Committee must have direct responsibility for the nomination, compensation and choice of our auditors, as well as control over the performance of their duties, management of complaints made, and selection of consultants. Under Rule 10A-3, if the laws of a foreign private issuer's home country require that any such matter be approved by the board of directors or the shareholders of the Company, the Audit and Risk Committee's responsibilities or powers with respect to such matter may instead be advisory.

We intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act, the rules adopted by the SEC and the listing rules of Nasdaq.

Code of Conduct

We have adopted a Code of Conduct applicable to all of our directors that is contained within our Corporate Governance Charter, which is available on our website at www.novonixgroup.com. Our Board of Directors intends to adopt a code of conduct applicable to our officers, senior executives, employees, consultants and contractors to become effective following the listing of our ordinary shares on Nasdaq. We will post on our website all disclosures that are required by law or the listing standards of Nasdaq concerning any amendments to, or waivers from, any provision of the Code of Conduct. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of, this registration statement.

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Family Relationships

Andrew Liveris, a non-executive director, is the father of the Group's Chief Financial Officer, Nick Liveris. Until September 2020, Mr. St Baker's son, Philip St Baker, served as the Group's Managing Director.

D. Employees

We had 81 employees as of June 30, 2021, 34 of whom were located in the United States and 47 were located in Canada. We believe we offer our employees competitive compensation packages and a dynamic work environment. We have generally been able to attract and retain qualified employees and maintain a core management team. We plan to hire additional experienced and talented employees in areas such as research and development, production, finance, and marketing as we grow our business.

We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes.

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of September 30, 2021, for:

- each member of our senior management;
- each of our directors; and
- all of our directors and senior management as a group.

To our knowledge, as of September 30, 2021, approximately 139,946,432 ordinary shares, or 29% of our ordinary shares, were held of record by 22 residents of the United States.

We have determined beneficial ownership in accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares that they beneficially own.

Applicable percentage ownership is based on 482,563,962 ordinary shares outstanding as of September 30, 2021. In computing the number of shares beneficially owned by a person or entity and the percentage ownership of such person or entity, we deemed to be outstanding all shares subject to options and performance rights held by the person or entity that are currently exercisable, or exercisable within 60 days of September 30, 2021. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person or entity. The information contained in the following table is not necessarily indicative of beneficial ownership for any other purpose, and the inclusion of any shares in the table does not constitute an admission of beneficial ownership of those shares. Each of our shareholders is entitled to one vote per ordinary share. None of the holders of our ordinary shares have different voting rights from other holders of ordinary shares. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. For further information regarding options to purchase ordinary shares and performance rights held by our directors and senior management, see ''Management—Remuneration.''

Name of Beneficial Owner	Number of Ordinary Shares Beneficially Owned	Percentage of Shares Beneficially Owned
Mr. & Mrs. Trevor C. St. Baker[(1)]	64,222,832	13.3%
Mr. Gregory AJ Baynton[(2)]	25,290,019	5.2%
Mr. Andrew Liveris[(3)]	13,632,794	2.8%
Dr. Christopher Burns[(4)]	3,856,936	*
Admiral Robert J Natter[(5)]	3,025,258	*
Mr. Anthony G Bellas[(6)]	2,146,374	*
Mr. Nicholas Liveris[(7)]	1,400,000	*
Mr. Robert Cooper[(8)]	786,612	*
All directors and senior management as a group (11 persons)	114,360,825	23.7%

* Represents beneficial ownership of less than 1%.

(1) Consists of 60,084,901 ordinary shares held by St Baker Energy Holdings Pty Ltd as trustee for the St Baker Energy Innovation Trust, an entity Mr. Trevor St Baker, a member of our board of directors, controls. It also includes 4,137,931 ordinary shares issued on May 11, 2021.

(2) Consists of 24,828,494 ordinary shares held by Allegro Capital Nominees Pty Ltd, 428,192 ordinary shares held by Intercontinental Pty Ltd and 33,333 ordinary shares held by Baynton Brothers Pty Ltd, all of which are entities that are controlled by Gregory Baynton, a former member of our board of directors. Mr. Baynton ceased serving as a non-executive director effective November 30, 2021.

(3) Consists of 4,132,794 ordinary shares held by Mutual Trust Pty Ltd, an entity that manages the investment of Mr. Andrew Liveris, a member of our board of directors, in the Company and 5,000,000 ordinary shares held by Mr. Andrew Liveris beneficially. It also includes 4,500,000 ordinary shares issuable upon exercise of vested options.

(4) Consists of 3,356,936 ordinary shares held beneficially by Dr. Christopher Burns, our Chief Executive Officer. It also includes 500,000 ordinary shares issuable upon exercise of vested options.

(5) Consists of 1,501,724 ordinary shares held by HSBC Custody Nominees (Australia) Limited, an entity that manages the investment of Admiral Robert Natter, a member and Chairman of our board of directors, in the Company and 523,534 ordinary shares by Admiral Robert Natter beneficially. It also includes 1,000,000 ordinary shares issuable upon exercise of vested options.

(6) Consists of 2,077,551 ordinary shares held by Loch Explorations Pty Ltd, and 68,823 ordinary shares held by AG Bellas Super Pty Ltd, entities which a member and Deputy Chairman of our board of directors, Mr. Anthony Bellas, controls.

(7) Consists of 900,000 ordinary shares held beneficially by Mr. Nicholas Liveris, our Chief Financial Officer. It also includes 500,000 ordinary shares issuable upon exercise of vested options.

(8) Consists of 586,612 ordinary shares held beneficially by Mr. Robert Cooper, a member of our board of directors. It also includes 200,000 ordinary shares issuable upon exercise of vested options.

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Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of September 30, 2021, for each person or group of affiliated persons known by us to beneficially own more than 5% of our ordinary shares;

We have determined beneficial ownership in accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares that they beneficially own.

Applicable percentage ownership is based on 482,563,962 ordinary shares outstanding as of September 30, 2021. In computing the number of shares beneficially owned by a person or entity and the percentage ownership of such person or entity, we deemed to be outstanding all shares subject to options and performance rights held by the person or entity that are currently exercisable, or exercisable within 60 days of September 30, 2021. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person or entity. The information contained in the following table is not necessarily indicative of beneficial ownership for any other purpose, and the inclusion of any shares in the table does not constitute an admission of beneficial ownership of those shares. Each of our shareholders is entitled to one vote per ordinary share. None of the holders of our ordinary shares have different voting rights from other holders of ordinary shares. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. For further information regarding options to purchase ordinary shares and performance rights held by our directors and senior management, see ''Management—Remuneration.''

Unless otherwise indicated, the address of each beneficial owner listed below is c/o NOVONIX Limited, Level 8, 46 Edward Street, Brisbane, Queensland 4000, Australia.

Name of Beneficial Owner	Number of Ordinary Shares Beneficially Owned	Percentage of Shares Beneficially Owned
Phillips 66 Company[(1)]	77,962,578	16.2%
Mr. & Mrs. Trevor C. St. Baker[(2)]	64,222,832	13.3%
Mr. Gregory AJ Baynton[(3)]	25,290,019	5.2%

(1) In September 2021, we consummated a transaction with Phillips 66 pursuant to which Phillips 66 acquired 77,962,578 ordinary shares, representing approximately 16.2% of our outstanding ordinary shares as of September 30, 2021, for an aggregate purchase price of US$150 million. See ''Business – Recent Developments''

(2) Consists of 60,084,901 ordinary shares held by St Baker Energy Holdings Pty Ltd as trustee for the St Baker Energy Innovation Trust, an entity Mr. Trevor St Baker, a member of our board of directors, controls. It also includes 4,137,931 ordinary shares issued on May 11, 2021.

(3) Consists of 24,828,494 ordinary shares held by Allegro Capital Nominees Pty Ltd, 428,192 ordinary shares held by Intercontinental Pty Ltd and 33,333 ordinary shares held by Baynton Brothers Pty Ltd, all of which are entities that are controlled by Gregory Baynton, a former member of our board of directors. Mr. Baynton ceased serving as a non-executive director effective November 30, 2021.

B. Related Party Transactions

Other than compensation arrangements which are described under ''Directors, Senior Management and Employees – Compensation'' or as disclosed below, from July 1, 2018 through the date of this registration statement, we did not enter into any transactions or loans with any: (i) enterprises that directly or indirectly, through one or more intermediaries, control, are controlled by or are under common control with us; (ii) associates; (iii) individuals owning, directly or indirectly, an interest in our voting power that gives them significant influence over us, and close members of any such individual's family; (iv) key management personnel and close members of such individuals' families; or (v) enterprises in which a substantial interest in our voting power is owned, directly or indirectly, by any person described in (iii) or (iv) or over which such person is able to exercise significant influence.

Transactions with Directors

As part of our March 2021 equity offering included in ''Recent Sales of Unregistered Securities'', we announced that approximately 5.67 million ordinary shares would be issued, in the aggregate, to Mr. Trevor St

Baker, Mr. Andrew Liveris, Admiral Robert Natter and Mr. Robert Cooper (or entities affiliated with them) at a purchase price of A$2.90 per share for an aggregate purchase price of A$16 million. These shares were issued by May 11, 2021, following receipt of shareholder approval on April 27, 2021.

During the fiscal year ended June 30, 2020, Mr. Philip St Baker was paid rent totaling A$77,579 (USD$52,000), for the use of property owned by Mr. Philip St Baker in Colorado, USA. Mr. Philip St Baker's salary was reduced accordingly to reflect the additional benefit Mr. Philip St Baker received.

During the fiscal year ended June 30, 2021:

- The Group entered into a separation agreement with Philip St Baker following his resignation on 23 September 2020, which included the settlement of a $1,500,000 limited recourse loan.

During the fiscal year ended June 30, 2020:

- A$4,000,000 in unsecured loan notes were issued to the St Baker Energy Innovation Fund, a related party of Mr. Trevor St Baker. Prior to the issue of the loan notes, the St Baker Energy Innovation Fund provided the Company with a A$4,000,000 short-term unsecured loan bearing interest at a rate of 10%. Following shareholder approval on July 31, 2019, for the loan notes, the short-term loan was converted to loan notes. These loan notes were repaid in connection with the June 2020 Capital Raise Transaction described below.
- the Group entered into a short-term loan agreement with the St Baker Energy Innovation Fund for A$3,400,000. This loan was repaid in connection with the June 2020 Capital Raise Transaction described below.
- the Group entered into short-term loan agreements with directors totaling A$3,148,960. These loans were repaid in connection with the June 2020 Capital Raise Transaction described below.
- at a General Meeting of Shareholders held on June 30, 2020, shareholders approved the issue of 67,085,100 fully paid ordinary shares to the St Baker Energy Innovation Fund at an issue price of A$0.29 per share raising A$19,454,679 (the ''June 2020 Capital Raise Transaction''). The consideration for the ordinary shares received consisted of cash and the retirement of both convertible loan notes and short-term loans owing. Details of the June 2020 Capital Raise Transaction are set out in the table below:

	Face value of loan notes and balance of short-term loan A$	Interest accrued A$	Placement proceeds A$	Total A$	Shares issued (Number)
Loan notes redeemed	10,000,000	1,187,397	—	11,187,397	38,577,232
Short-term loan repaid	3,400,000	131,575	—	3,531,575	12,177,845
Placement proceeds	—	—	4,735,707	4,735,707	16,330,023
Total	13,400,000	1,318,972	4,735,707	19,454,679	67,085,100

Director and Senior Management Compensation

See ''Management—Remuneration'' for information regarding compensation of our senior management and directors.

Indemnification Agreements

Our Constitution provides that, to the full extent permitted by law, to the extent that an officer is not otherwise indemnified pursuant to any insurance coverage, we will indemnify every person who is or has been an officer of the company against any liability incurred by that person as an officer. This includes any liability incurred by that person in their capacity as an officer of a related body corporate.

We intend to enter into Deeds of Indemnity, Insurance and Access, or Indemnity Deeds with each a non-executive director and executive officer. Under the Indemnity Deeds, we will agree to indemnify (to the maximum extent permitted under Australian law and our Constitution, subject to certain specified exceptions)

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each director and executive officer against all liabilities incurred in any capacity, including acting as an authorized representative of NOVONIX, and any and all costs and expenses relating to such a claim or to any notified event incurred by such director or executive officer, including costs and expenses reasonably and necessarily incurred to mitigate any liability for such a claim or any claim which may arise from such a notified event. The Indemnity Deeds will provide that the indemnities are unlimited as to amount, continuous and irrevocable.

Separately, we intend to obtain insurance for our directors and executive officers, as will be required by the Indemnity Deeds.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Related Person Transaction Policy

We comply with Australian law and the rules and regulations of the ASX regarding approval of transactions with related parties. Under Australia's securities laws and ASX rules, transactions with directors or significant shareholders of the Company (or their associates) may require shareholder approval depending on the size or nature of the transaction.

All of the transactions described above were entered into prior to the adoption of the written policy, but our board of directors and, where necessary, our shareholders, evaluated and approved all transactions that were considered to be related party transactions under Australian law and the rules and regulations of the ASX at the time at which they were consummated.

C. Interests of experts and counsel

Not applicable.

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Item 8. Financial Information

A. Consolidated Financial Statements and Other Financial Information

For a list of all financial statements filed as part of the registration statement, see "*Item 18. Financial Statements*." For information on our dividend policy see "*Item 10B. Memorandum and Articles of Association*."

Legal Proceedings

We believe that we are currently not a party to any material legal proceedings. From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. Such claims or legal actions, even if without merit, could result in the expenditure of significant financial and management resources and potentially result in civil liability for damages. For risks related to legal proceedings, see "Risk Factors—***From time to time, we may be involved in litigation, regulatory actions or government investigations and inquiries, which could have an adverse impact on our profitability and consolidated financial position,"*** and "Risk Factors—***We may become involved in lawsuits or other proceedings to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have a negative effect on the success of our business."***

B. Significant Changes

No significant change, other than as otherwise described in this registration statement on Form 20-F, has occurred in our operations since the date of our consolidated financial statements included in this registration statement on Form 20-F.

Item 9. The Listing

A. Listing Details

The principal trading market for our ordinary shares is the ASX in Australia, where the ordinary shares have been listed since 2015. On January 5, 2022, the closing price of our ordinary shares as traded on the ASX was A$10.68 per ordinary share. We intend to apply to have the ADSs listed on the Nasdaq Global Market under the symbol "NVX". For a description of the rights of holders of the ADSs, see "Description of Securities Other Than Equity Securities – American Depositary Shares."

B. Plan of Distribution

Not applicable.

C. Markets

Our ordinary shares are publicly traded on the ASX under the symbol "NVX".

We are filing this registration statement on Form 20-F in anticipation of the listing of the ADSs, each representing four of our ordinary shares, on the Nasdaq Global Market under the symbol "NVX". The Bank of New York Mellon, acting as depositary, will register and deliver the ADSs.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

General

The following description of our ordinary shares is only a summary. We encourage you to also read our Constitution, which is included as an exhibit to this registration statement, of which this registration statement forms a part.

We are a public company limited by shares incorporated under the Corporations Act by the Australian Securities and Investments Commission, or ASIC. Our corporate affairs are principally governed by our Constitution, the Corporations Act and the Australian Securities Exchange, or ASX, Listing Rules. Our ordinary shares are quoted and trade on the ASX.

Our Constitution is not significantly different to a U.S. company's charter documents. However, we do not have a limit on our authorized share capital, and the concept of 'par value' is not recognized under Australian law. Our constitution is further discussed under ''—Our Constitution'', below.

Subject to any restrictions on the issue of securities in our Constitution, the Corporations Act, the ASX Listing Rules and any other applicable law, we may from time to time issue shares and grant options over unissued shares on any terms, with the rights and restrictions and for the consideration that our board of directors determine. The rights and restrictions attaching to ordinary shares are derived through a combination of our Constitution, the common law applicable in Australia, the ASX Listing Rules, the Corporations Act and other applicable law. A general summary of some of the rights and restrictions attaching to our ordinary shares are summarized below. Each ordinary shareholder is entitled to receive notice of, and to be present, vote (subject to any voting exclusions which may apply to specific resolutions) and speak at, general meetings.

Changes to Our Share Capital

As of the date of this registration statement, we had: (i) 482,563,962 ordinary shares outstanding, (ii) outstanding options to subscribe for 29,363,334 ordinary shares at a weighted-average exercise price of approximately A$0.51 per share, (iii) 4,370,000 outstanding performance rights held by key management personnel (''KMP'') and employees (with each performance right being a contractual right to receive an ordinary share for no consideration provided applicable performance hurdles are achieved) and (iv) 291,500 outstanding share rights held by directors.

From July 1, 2018 through the date of this registration statement (i.e. over the last three completed financial years), the following events changed the number of our issued and outstanding ordinary shares:

- 10,750,000 ordinary shares issued upon exercise of options by directors and executives;
- 1,896,666 ordinary shares issued upon exercise of other options;
- 3,158,865 ordinary shares issued upon exercise of KMP performance rights;
- 400,000 ordinary shares issued upon exercise of non-KMP performance rights;
- 259,585,759 ordinary shares issued in connection with capital raising transactions;
- 5,672,414 ordinary shares issued to Mr. Trevor St Baker, Mr. Andrew Liveris nominees, Admiral Robert Natter and Mr. Robert Cooper (or entities affiliated with them); and
- 77,962,578 ordinary shares issued to Phillips 66.

B. Memorandum and Articles of Association

Our Constitution

Our Constitution governs our internal management and is similar in nature to the bylaws of a U.S. corporation. It does not provide for or prescribe any specific objectives or purposes of our company. It provides that our company may exercise any power, take any action or engage in any conduct which the Corporations Act permits a company limited by shares to exercise, take or engage in. Under the Corporations Act, a company has the legal capacity and powers of an individual both within and outside Australia, as well as a number of other powers specific to companies.

Our Constitution is subject to the terms of the Corporations Act. It may be amended or repealed and replaced by special resolution of shareholders, which is a resolution passed by at least 75% of the votes cast by shareholders (in person or by proxy) entitled to vote on the resolution.

The material provisions of our Constitution are summarized below. This summary is not intended to and does not constitute a complete statement of the rights and liabilities of our shareholders, and is qualified in its entirety by reference to the complete text of our Constitution, a copy of which is included as an exhibit to this registration statement, of which this registration statement forms a part.

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Interested Directors

Unless a relevant exception applies, the Corporations Act requires our directors to disclose any material personal interest in a matter that relates to the affairs of our company and prohibits them from voting on those matters and from being present at the meeting while the matter is being considered. However, a director with a material personal interest may be present at the meeting and vote on the matter if directors who do not have a material personal interest in the relevant matter have passed a resolution:

- identifying that director, the nature and extent of the director's interest in the matter and its relation to our affairs; and
- stating that those directors are satisfied that the interest should not disqualify the director from voting or being present.

If a director has an interest in a matter, then under our Constitution that director may:

- subject to the requirements under the Corporations Act described above, participate in and vote on that matter;
- be counted in determining whether a quorum is present at any directors' meeting considering that matter, provided they are entitled to vote on at least one of the resolutions to be proposed at that meeting;
- execute any document relating to that matter; and
- provided their interest has been disclosed (where required by Australian law) prior to the relevant transaction being entered into, retain the benefits under any transaction that relates to the interest.

In addition, the Corporations Act and the ASX Listing Rules require shareholder approval of the provision of financial benefits by our company to our directors, unless a relevant exception applies (such as reasonable remuneration; on this topic see ''—Directors' Compensation'' below).

Directors' Compensation

Our non-executive directors are paid remuneration for their services as directors. Remuneration may be provided in a manner determined by the directors, including by way of non-cash benefits (for example, contributions to a superannuation fund). As of the date of this registration statement, non-executive directors as a whole may be paid or provided remuneration for their services up to a total amount or value of A$600,000 per financial year in aggregate. This amount may be divided among the directors in such proportions as the directors themselves agree and in accordance with our Constitution. The capped sum remuneration for non-executive directors may not be increased except at a general meeting of shareholders and the particulars of the proposed increase are required to have been provided to shareholders in the notice convening the meeting. In addition, our board of directors may fix the remuneration of each executive director.

Fees payable to our non-executive directors must not include a commission on, or a percentage of, our profits or operating revenue. Remuneration paid to our executive directors may include a commission on, or percentage of, our profits but not our operating revenue.

Pursuant to our Constitution, any director who performs extra services or devotes special attention to the business of our company may be paid an additional sum for those services and that devotion. Such a payment would fall outside of the capped sum remuneration described above if paid to a non-executive director.

In addition to other remuneration provided in our Constitution, all of our directors are entitled to be paid by us for all travelling and other expenses properly incurred by the directors in attending general meetings, board meetings, committee meetings or otherwise in connection with our business.

In addition, in accordance with our Constitution and subject to the requirements of the Corporations Act, a director may be paid a retirement benefit as determined by our board of directors.

Borrowing Powers Exercisable by Directors

Pursuant to our Constitution, the management and control of our business affairs are vested in our board of directors. Our board of directors has the power to borrow or raise money in any other way for the purposes of

the company, and may grant security for the repayment, performance or fulfilment of any debts, liabilities, contracts or obligations incurred or undertaken by the company in any manner and upon any terms and conditions as our board of directors deems appropriate.

Retirement of Directors

Pursuant to the ASX Listing Rules, we must hold an election of directors at each annual general meeting, at which at least one director must stand for election or re-election. If there would not otherwise be a vacancy on the board, and no director is required to retire (as described below), then the director who has been longest in office since last being elected must retire.

A director will be required to retire if: (i) they have been appointed by the other directors since the previous annual general meeting (as an addition to the board or to fill a casual vacancy), or (ii) they would hold office without re-election beyond the third annual general meeting following their appointment. Retirement based on the latter rule does not apply to the managing director.

The retirement of a director from office, and the re-election of a director or the election of another person to that office, takes effect at the conclusion of the relevant annual general meeting.

Rights and Restrictions on Classes of Shares

The rights attaching to our ordinary shares are detailed in our Constitution. Our Constitution provides that, subject to the Corporations Act, the ASX Listing Rules and our Constitution, our directors may issue shares (including shares with certain preferential rights, as described below) and grant options over unissued shares to such persons, on such terms and with such rights and restrictions as they may determine.

Preference shares issued by our company may be liable to be redeemed or converted to ordinary shares and will have limited voting rights. They would also receive a preferential dividend, in priority to the payment of any dividend on the ordinary shares, at a rate (fixed or variable) and on the basis (including whether cumulative or not) decided by the directors.

As of the date of this registration statement, our outstanding share capital consists of only one class of ordinary shares.

Dividend Rights

Under the Corporations Act, a company must not pay a dividend unless:

- the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

Subject to this requirement, our board of directors may from time to time determine to pay dividends to shareholders. All unclaimed dividends may be invested by our board of directors for our benefit until claimed or until required to be dealt with under any law relating to unclaimed moneys.

Voting Rights

Under our Constitution, and subject to any voting exclusions imposed under the ASX Listing Rules (which typically exclude parties from voting on resolutions in which they have an interest) and any rights and restrictions attaching to a class of shares (such as voting rights for preference shares, if any were issued), each shareholder has one vote on a show of hands at a meeting of the shareholders. If a poll is demanded under the Constitution or the Corporations Act, each shareholder shall have one vote for each fully paid share and a fractional vote for each share held by that shareholder that is not fully paid, such fraction being equivalent to the proportion of the amount that has been paid to such date on that share. Shareholders may vote in person or by proxy, attorney or representative. Under Australian law, shareholders of a public company are generally not permitted to approve corporate matters by written consent. Our Constitution does not provide for cumulative voting.

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Under Australian law, an ordinary resolution is passed if a majority of the votes cast on the resolution (in person or by proxy) by members entitled to vote on the resolution are in favor of the resolution. Under our Constitution, if the votes are equal on a proposed resolution, the chair of the meeting has a casting vote in addition to any deliberative vote. Under Australian law, a special resolution (which is required to amend our Constitution, among other things) is passed if at least 75% of the votes cast on the resolution (in person or by proxy) by members entitled to vote on the resolution are in favor of the resolution.

ADS holders may not directly vote at a meeting of the shareholders but may instruct the depositary to vote the number of deposited ordinary shares which their ADSs represent. See ''Description of Securities Other Than Equity Securities – American Depositary Shares—Voting Rights.''

Right to Share in Our Profits

Pursuant to our Constitution, our shareholders are entitled to participate in our profits only by payment of dividends. Our board of directors may from time to time determine to pay dividends to the shareholders. However, any such dividend is only payable in accordance with the requirements set out in the Corporations Act described above under ''—Dividend Rights''.

Rights to Share in the Surplus in the Event of Winding Up

Our Constitution provides for the right of shareholders to participate in a surplus in the event of our winding up, subject to the rights attaching to a class of shares.

No Redemption Provision for Ordinary Shares

There are no redemption provisions in our Constitution in relation to ordinary shares. Under our Constitution, shares may be issued and allotted, which are liable to be redeemed (i.e. redeemable preference shares). Under the Corporations Act, redeemable preference shares may only be redeemed if those preference shares are fully paid-up and payment in satisfaction of redemption is out of profits or the proceeds of a new issue of shares made for the purpose of the redemption.

Variation or Cancellation of Share Rights

Subject to the Corporations Act, the ASX Listing Rules and the terms of issue of shares of that class, the rights and privileges attached to shares in a class of shares may only be varied or cancelled by a special resolution, together with either:

- a special resolution passed at a meeting of members holding shares in the class; or
- the written consent of members with at least 75% of the votes in the class.

Directors May Make Calls

Our Constitution provides that subject to the terms on which partly paid shares are issued, directors may make calls on the holders of the ordinary shares for any money unpaid on them.

General Meetings of Shareholders

General meetings of shareholders may be called by our board of directors. Except as permitted under the Corporations Act, shareholders may not convene a meeting. The Corporations Act requires the directors to call and arrange to hold a general meeting on the request of shareholders with at least 5% of the votes that may be cast at a general meeting. Notice of the proposed meeting of our shareholders is required to be given to shareholders at least 28 days prior to such meeting under the Corporations Act.

Foreign Ownership Regulation

Our Constitution does not impose specific limitations on the rights of non-Australian residents to hold or acquire our securities. However, proposed acquisitions of securities in Australian companies by foreign persons may be subject to review by the Australian Federal Treasurer (who is advised by Australia's Foreign Investment Review Board, or FIRB) under the Foreign Acquisitions and Takeovers Act 1975 (Cth), or the FATA.

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Foreign investment actions which qualify for review under the FATA can be classified in one of two ways: there are actions which must be notified to FIRB and actions which may be notified to FIRB. Generally, an acquisition of securities in an Australian company by a foreign person must be notified to FIRB if: (i) the foreign person and any of their associates would together hold an interest in 20% or more of the issued securities of, or would be in a position to control 20% or more of the voting power in, that company, and (ii) the relevant monetary threshold is satisfied. As an example of the monetary threshold which may apply, for a U.S. person acquiring an equity interest in an Australian company which does not operate a ''sensitive'' business (e.g. media, telecommunications, transport, defence etc.), the transaction would generally only qualify for review under the FATA if the total asset value of the company or its total issued securities value was greater than A$1.216 billion (indexed).

The Australian Federal Treasurer has broad powers in relation to proposed acquisitions. The Treasurer may prevent proposed acquisitions or impose conditions on them. If a qualifying action is not voluntarily submitted to FIRB for review, a foreign person who proceeds with the acquisition is subject to the risk that the Treasurer may subsequently consider the transaction to be contrary to Australia's national interest or its national security and may, accordingly, make adverse orders in respect of the action (including divestment orders). Divestment orders may also be made if a foreign person acquires an interest in securities in an Australian company in contravention of the FATA.

Foreign investment is a complex area of Australian law. Whether actions qualify for review under the FATA, and whether the Australian Federal Treasurer will exercise their power to prohibit or impose conditions on a foreign person's proposed acquisition, will depend on, among other things, the identity of the foreign person (such as whether they are a government or non-government investor, whether they have any associates and their nationality), the nature of the Australian company and its business and the proposed structure and value of the transaction. Given this complexity, this section of this registration statement does not, and does not intend to, exhaustively describe Australia's foreign investment laws or the various regulations which may apply in respect of a particular transaction. Australian law advice should be sought in respect of specific foreign investment issues.

Issues of Shares and Change in Capital

Subject to our Constitution, the Corporations Act, the ASX Listing Rules and any other applicable law, we may at any time issue shares and grant any person options over unissued shares on any terms, and with such rights and restrictions, as the directors may determine.

The directors may issue preference shares, as described above under ''—Rights and Restrictions on Classes of Shares''.

Subject to the requirements of our Constitution, the Corporations Act, the ASX Listing Rules and any other applicable law, including relevant shareholder approvals, we may consolidate or divide our share capital into a larger or smaller number by resolution, reduce our share capital in any manner (provided that the reduction is fair and reasonable to our shareholders as a whole and does not materially prejudice our ability to pay creditors) or buy back our ordinary shares, whether under an equal access buy-back or on a selective basis.

Ownership Threshold

There are no specific provisions in our Constitution that require a person to disclose ownership above a certain threshold. The Corporations Act, however, requires a person to notify us and the ASX once the person, together with their associates, acquires a 5% ''relevant interest'' in our ordinary shares, at which point the person will be considered to be a ''substantial'' holder. See ''—Change of Control'' below regarding when a person has a ''relevant interest''. Further, once a person holds (alone or together with associates) a 5% relevant interest in us, such person must notify us and the ASX of any increase or decrease of 1% or more in their holding of our ordinary shares, and must also notify us and the ASX upon their ceasing to be a ''substantial'' holder.

Change of Control

Takeovers of listed Australian public companies, including us, are regulated by the Corporations Act, which prohibits the acquisition of a ''relevant interest'' in issued voting shares in a listed company if the acquisition will lead to that person's or someone else's voting power in our company increasing from 20% or below to more than 20% or increasing from a starting point that is above 20% and below 90%, which we refer to as the Takeovers Prohibition, which is subject to a range of exceptions.

Generally, a person will have a relevant interest in securities if the person:

- is the holder of the securities (other than if the person holds those securities as a bare trustee);
- has power to exercise, or control the exercise of, a right to vote attached to the securities; or
- has the power to dispose of, or control the exercise of a power to dispose of, the securities.

If, at a particular time,

- a person has a relevant interest in issued securities; and
- the person (whether before or after acquiring the relevant interest) has:
  - entered or enters into an agreement with another person with respect to the securities;
  - given or gives another person an enforceable right, or has been or is given an enforceable right by another person, in relation to the securities (whether the right is enforceable presently or in the future and whether or not on the fulfillment of a condition); or
  - granted or grants an option to, or has been or is granted an option by, another person with respect to the securities; and
- the other person would have a relevant interest in the securities if the agreement were performed, the right enforced or the option exercised,

then the other person is taken to have a relevant interest in the relevant securities.

There are a number of exceptions to the Takeover Prohibition. In general terms, some of the more significant exceptions include:

- when the acquisition results from the acceptance of an offer under a formal takeover bid;
- when the acquisition is conducted on market by or on behalf of the bidder during the bid period for a full takeover bid that is unconditional or only conditional on certain 'prescribed' matters set out in the Corporations Act;
- when the acquisition has been previously approved by our shareholders by resolution passed in a general meeting;
- an acquisition by a person if, throughout the six months before the acquisition, that person or any other person has had voting power in our company of at least 19% and, as a result of the acquisition, none of the relevant persons would have voting power in our company more than three percentage points higher than they had six months before the acquisition;
- when the acquisition results from the issue of securities under a rights issue;
- when the acquisition results from the issue of securities under a dividend reinvestment scheme or bonus share plan;
- when the acquisition results from the issue of securities under certain underwriting arrangements;
- when the acquisition results from the issue of securities through a will or through operation of law;
- an acquisition that arises through the acquisition of a relevant interest in another listed company which is listed on a prescribed financial market or a financial market approved by ASIC;
- an acquisition arising from an auction of forfeited shares conducted on-market; or
- an acquisition arising through a compromise, arrangement, liquidation or buy-back.

Breaches of the takeovers provisions of the Corporations Act are criminal offenses. ASIC and the Australian Takeover Panel have a wide range of powers relating to breaches of the takeovers provisions, including the ability to make orders, canceling contracts, freezing transfers of, and rights attached to, securities and forcing a party to dispose of securities. There are certain defenses to breaches of the takeovers provisions provided in the Corporations Act.

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Access to and Inspection of Documents

Any shareholder of the Company has the right to inspect or obtain copies of our share register on the payment of a prescribed fee. Our books containing the minutes of general meetings will be kept at our registered office and will be open to inspection of shareholders at all times when the office is required to be open to the public. Other corporate records, including minutes of directors' meetings, financial records and other documents, are not open for inspection by shareholders (who are not directors).

Legal Name; Formation; Registered Office

We were incorporated under the laws of Australia in 2012, as a proprietary company limited by shares, under the name Graphitecorp Pty Limited. In 2015, we completed an initial public offering of our ordinary shares and the listing of our ordinary shares on the ASX. Prior to our initial public offering and listing on ASX, we changed our form to become a public company limited by shares and changed our name to GRAPHITECORP Limited. In 2017, we changed the name of our company to NOVONIX Limited. Our headquarters is located at Level 8, 46 Edward Street, Brisbane, Queensland 4000, Australia. Our registered office is located at Level 11, 66 Eagle Street, Brisbane, Queensland, 4000, Australia. Our agent for service of process in the United States is National Registered Agents, Inc., located at 1209 Orange Street, Wilmington, DE 19801.

Listing

We intend to apply to have the ADSs listed on the Nasdaq Global Market under the symbol ''NVX.'' Our ordinary shares are listed on the ASX under the symbol ''NVX.''

Transfer Agent and Registrar

The depositary for the ADSs will be The Bank of New York Mellon. Link Market Services Limited is our Share Registry for our ordinary shares and currently maintains our share register for our ordinary shares. The share register reflects only record owners of our ordinary shares. Holders of the ADSs will not be treated as one of our shareholders and their names will therefore not be entered in our share register. The depositary, the custodian or their nominees will be the holder of the ordinary shares underlying the ADSs. Holders of the ADSs have a right to receive the ordinary shares underlying their ADSs. See ''Description of Securities Other Than Equity Securities – American Depositary Shares.''

C. Material Contracts

Except as described below or elsewhere in this registration statement, all material contracts entered into by us in the past two years preceding the filing of this registration statement were entered into in the ordinary course of business:

Loan Agreement. In connection with the purchase of our ''Riverside'' facility in Chattanooga, Tennessee (locally referred to as ''Big Blue''), a subsidiary of the Company, NOVONIX 1029, LLC (''Borrower''), entered into a Loan Agreement, dated as of July 28, 2021, with DBR Investments Co. Limited (''Lender'') pursuant to which Lender made a loan in the original principal amount of $30,100,000 to Borrower, which loan is secured against the ''Riverside'' facility and guaranteed by the Company. The loan initially bears interest at a rate of 4.09% per annum. Borrower has agreed to certain customary covenants in connection with the loan including, but not limited to, the incurrence of liens on any interest in the Borrower or any portion of the ''Riverside'' facility and incurrence of indebtedness by the Borrower.

Subscription Agreement. In connection with the Phillips 66 Transaction, the Company entered into a Subscription Agreement, dated as of August 9, 2021, with Philips 66 Company (the ''Subscription Agreement''). Pursuant to the Subscription Agreement, Phillips 66 agreed to acquire 77,962,578 ordinary shares for an aggregate purchase price of US$150 million. Under the Subscription Agreement Phillips 66 has the right to nominate one director to our Board of Directors and certain rights to be notified of, and/or participate in, issuances of shares by the Company (other than distributions of shares to the Company's shareholders on a pro rata basis).

D. Exchange Controls

Australia has largely abolished exchange controls on investment transactions. The Australian dollar is freely convertible into U.S. dollars or other currencies. In addition, there are currently no specific rules or limitations regarding the export from Australia of profits, dividends, capital or similar funds belonging to foreign investors,

except that certain payments to non-residents must be reported to the Australian Cash Transaction Reports Agency, which monitors such transaction, and amounts on account of potential Australian tax liabilities may be required to be withheld unless a relevant taxation treaty can be shown to apply and under such there are either exemptions or limitations on the level of tax to be withheld.

E. Taxation

The following summary of material U.S. federal income tax and Australian tax considerations of an investment in the ADSs is based upon the federal income tax laws of the United States and regulations promulgated thereunder and the tax laws of Australia and the regulations promulgated thereunder, each as in effect as of the date of this registration statement, all of which are subject to change or differing interpretations, possibly with retroactive effect. This summary does not deal with all possible tax consequences relating to an investment in the ADSs, including tax consequences under U.S. state or local tax laws, U.S. federal tax laws other than U.S. federal income tax laws, certain Australian tax laws, and the tax laws of any jurisdiction outside of the United States and Australia.

U.S. Federal Income Tax Considerations

The following describes material U.S. federal income tax considerations relating to the acquisition, ownership and disposition of the ADSs, and the ownership and disposition of any ordinary shares received in exchange for such ADSs from the depositary. This summary addresses these tax considerations only for U.S. holders (as defined below) that hold ADSs, and any ordinary shares received in exchange for such ADSs from the depositary, as capital assets (generally, property held for investment).

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the ''Code''), existing, proposed and temporary U.S. Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof, in each case, as in effect on the date hereof and all of which are subject to change and to differing interpretations, possibly with retroactive effect. Any such change or differing interpretations could affect the tax considerations described below. There can be no assurances that the U.S. Internal Revenue Service (the ''IRS'') will not take a position that differs from those described below or that such a position would not be sustained by a court. We have not obtained, nor do we intend to obtain, a ruling with respect to the U.S. federal income tax considerations of the purchase, ownership or disposition of the ADSs or ordinary shares. Accordingly, U.S. holders should consult their tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of the ADSs or ordinary shares in their particular circumstances.

This summary does not address any U.S. federal tax considerations other than U.S. federal income tax considerations (such as estate or gift tax considerations, the Medicare contribution tax imposed on certain net investment income, or any state, local, or non-U.S. tax considerations).

This summary does not address all U.S. federal income tax considerations that may be relevant to a U.S. holder based on its particular circumstances. This summary also does not address U.S. federal income tax considerations applicable to a U.S. holder that may be subject to special tax rules including the following:

- banks, financial institutions or insurance companies;
- brokers, dealers or traders in securities, currencies, commodities, or notional principal contracts;
- tax-exempt entities;
- individual retirement accounts and other tax-deferred accounts;
- real estate investment trusts or regulated investment companies;
- persons that hold the ADSs or our ordinary shares as part of a ''hedging,'' ''integrated,'' ''wash sale'' or ''conversion'' transaction or as a position in a ''straddle'' for U.S. federal income tax purposes;
- S corporations, partnerships, or other pass-through entities for U.S. federal income tax purposes and investors in such entities;
- former citizens or long-term residents of the United States;
- persons that received the ADSs as compensation;

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- persons required to accelerate the recognition of any item of gross income as a result of any item of gross income with respect to the ADSs or our ordinary shares being taken into account in an applicable financial statement;
- persons acquiring the ADSs in connection with a trade or business conducted outside of the United States, including a permanent establishment or a fixed base in Australia;
- persons subject to the alternative minimum tax;
- holders that own directly, indirectly, or constructively, 10% or more of the voting power or value of our equity interests; and
- holders that have a ''functional currency'' other than the U.S. dollar.

Persons who hold the ADSs and fall within one of the categories above are advised to consult their tax advisor regarding the specific U.S. federal income tax consequences which may apply to their particular situation.

For the purposes of this description, a ''U.S. holder'' is a beneficial owner of the ADSs or our ordinary shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust, or if such trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If an entity treated as a partnership for U.S. federal income tax purposes holds the ADSs or our ordinary shares, the U.S. federal income tax consequences relating to an investment in the ADSs and our ordinary shares will depend in part upon the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor regarding the specific U.S. federal income tax considerations of acquiring, owning and disposing of the ADSs or our ordinary shares in its particular circumstances.

U.S holders of the ADSs should consult their tax advisors as to the particular tax consequences applicable to them relating to the acquisition, ownership and disposition of the ADSs or our ordinary shares, including the applicability of U.S. federal, state and local tax laws, Australian tax laws and other non-U.S. tax laws.

ADSs. In general, for U.S. federal income tax purposes, a U.S. holder holding ADSs will be treated as the owner of the ordinary shares represented by the ADSs. Accordingly, exchanges with the depositary of ADSs for ordinary shares, and of ordinary shares for ADSs, generally will not be subject to U.S. federal income tax.

Distributions. As described under the heading ''Dividend Policy,'' we do not expect to make any distributions in respect of the ADSs or our ordinary shares. Subject to the discussion under ''—Passive Foreign Investment Company Considerations,'' below, the gross amount of any distribution (including any amounts withheld in respect of Australian tax or in respect of fees payable to the depositary) actually or constructively received by a U.S. holder with respect to the ADSs or our ordinary shares generally will be taxable to the U.S. holder as a dividend to the extent of the U.S. holder's pro rata share of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. Generally, distributions in excess of our current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. holder's adjusted tax basis in the ADSs or our ordinary shares, and thereafter as capital gain from the disposition of the ADSs or our ordinary shares. However, since we do not intend to calculate our earnings and profits under U.S. federal income tax principles, it is expected, and U.S. holders should assume, that any distribution will be reported as a dividend and will constitute ordinary dividend income to a U.S. holder. Any dividends will generally be treated as foreign source, and will not be eligible for the dividends-received deduction generally allowed to corporate U.S. holders.

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Subject to the discussion under ‘‘—Passive Foreign Investment Company Considerations,’’ below, dividends paid to non-corporate U.S. holders may qualify as ‘‘qualified dividend income’’ eligible for the preferential rates of taxation applicable to long-term capital gains if we are a ‘‘qualified foreign corporation’’ and certain other requirements (discussed below) are met. We generally will be considered to be a qualified foreign corporation (a) if we are eligible for the benefits of the Convention between the Government of the United States of America and the Government of Australia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed on August 6, 1982, as amended and currently in force (the ‘‘U.S.-Australia Tax Treaty’’), or (b) the ADSs or our ordinary shares are readily tradable on an established securities market in the United States. We have applied to have the ADSs listed on the Nasdaq Global Market, which is an established securities market in the United States, although there can be no assurance that the ADSs will be listed or remain listed on Nasdaq or be considered readily tradable on an established securities market in the United States now or in the future. In addition, we believe that we qualify as a resident of Australia for purposes of, and are eligible for the benefits of, the U.S.-Australia Tax Treaty, although there can be no assurance in this regard. Therefore, subject to the discussion under ‘‘—Passive Foreign Investment Company Considerations,’’ below, any dividends on the ADSs or our ordinary shares generally will be ‘‘qualified dividend income’’ in the hands of individual U.S. holders, provided that a holding period requirement (more than 60 days of ownership, without protection from the risk of loss, during the 121-day period beginning 60 days before the ex-dividend date) and certain other requirements are met.

A U.S. holder may be able to claim as a credit against its U.S. federal income tax liability the amount of any Australian tax withheld from any dividends at a rate not exceeding an applicable rate under the U.S.-Australia Tax Treaty. Alternatively, a U.S. holder may deduct such Australian taxes from its U.S. federal taxable income, provided that the U.S. holder elects to deduct rather than credit all foreign income taxes paid or accrued for the relevant taxable year. The rules governing U.S. foreign tax credits are complex. Each U.S. holder should consult its tax advisors regarding the foreign tax credit rules.

In general, the amount of any distribution paid to a U.S. holder in a foreign currency will be the U.S. dollar value of the foreign currency calculated by reference to the spot exchange rate on the day the depositary receives the distribution (in the case of ADSs) or on the day the distribution is received by the U.S. holder (in the case of ordinary shares), regardless of whether the foreign currency is converted into U.S. dollars at that time. If distributions received in a foreign currency are converted into U.S. dollars on the day they are received, a U.S. holder should not be required to recognize foreign currency gain or loss in respect of the distribution. A U.S. holder that does not convert foreign currency received as a distribution on an ordinary share into U.S. dollars on the date of receipt generally will have a tax basis in such foreign currency equal to the U.S. dollar value of such foreign currency on the date of receipt. Any foreign currency gain or loss a U.S. holder recognizes on a subsequent conversion of foreign currency into U.S. dollars will be U.S. source ordinary income or loss.

As discussed above under ‘‘Description of Securities Other Than Equity Securities – American Depositary Shares– Fees and Expenses’’, the amount of any distribution that is paid to a U.S. holder will be reduced by certain fees that such U.S holder is required to pay to the depositary. The amount of any dividend a U.S. holder is deemed to receive and include in income for U.S. federal income tax purposes will not be reduced by the amount of any fees that are withheld, and a U.S. holder would be deemed to pay the amount of such fees to the depositary. Any such fees generally will be treated as items of investment expense which may not be deductible in the case of certain investors due to general limitations on the deductibility of investment expenses. U.S. holders should consult their tax advisor with respect to the tax treatment of the payment of any such fees to the depositary.

Sale or Other Taxable Disposition. A U.S. holder generally will recognize gain or loss for U.S. federal income tax purposes upon the sale or other taxable disposition of the ADSs or the ordinary shares in an amount equal to the difference between the U.S. dollar value of the amount realized from such disposition and the U.S. holder’s adjusted tax basis in those ADSs or ordinary shares, determined in U.S. dollars. Subject to the discussion under ‘‘—Passive Foreign Investment Company Considerations’’ below, any such gain or loss generally will be a capital gain or loss, and will be long-term capital gain or loss if the U.S. holder’s holding period for such ADSs or ordinary shares is more than one year at the time of such disposition. A U.S. holder’s adjusted tax basis in the ADSs or our ordinary shares generally will be equal to the cost of such ADSs or ordinary shares. Any long-term capital gain from the disposition of the ADSs or our ordinary shares by a

non-corporate U.S. holder generally is eligible for a preferential rate of taxation. The deductibility of capital losses for U.S. federal income tax purposes is subject to limitations. Any such gain or loss that a U.S. holder recognizes generally will be treated as U.S. source gain or loss for foreign tax credit limitation purposes.

For a cash basis taxpayer, any units of foreign currency received on a disposition of the ADSs or our ordinary shares that are treated as traded on an established securities market are translated into U.S. dollars at the spot exchange rate on the settlement date of the disposition. No foreign currency exchange gain or loss will result for a cash basis taxpayer from currency fluctuations between the trade date and the settlement date of such a disposition.

An accrual basis taxpayer may elect the same treatment required of cash basis taxpayers with respect to dispositions of the ADSs or our ordinary shares that are traded on an established securities market, provided the election is applied consistently from year to year. Such election may not be changed without the consent of the IRS. For an accrual basis taxpayer who does not make such election or if the ADSs or our ordinary shares that are not treated as traded on an established securities market, any units of foreign currency received on a disposition of the ADSs or our ordinary shares are translated into U.S. dollars at the spot exchange rate on the trade date of the disposition. In such case, the taxpayer may recognize exchange gain or loss based on currency fluctuations between the trade date and the settlement date. Any foreign currency gain or loss a U.S. holder recognizes will be U.S. source ordinary income or loss.

Passive Foreign Investment Company Considerations. Generally, we will be a ''passive foreign investment company'' (''PFIC'') for U.S. federal income tax purposes for any taxable year in which, after applying certain look-through rules with respect to the income and assets of our subsidiaries, either: (1) at least 75% of our gross income is ''passive income'' or (2) at least 50% of the average quarterly value of our total gross assets (which would generally be measured by fair market value of our assets) is attributable to assets that produce ''passive income'' or are held for the production of ''passive income.'' For purposes of these calculations, we will be treated as holding our proportionate share of the assets of, and receiving directly our proportionate share of the income of, any corporation in which we directly or indirectly own at least 25% (by value) of the shares. Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions and the excess of gains over losses from the disposition of assets which produce passive income.

Based on our current and anticipated operations and composition of our assets and income, we believe that we should not be a PFIC for the current taxable year, and currently do not expect to become a PFIC in the foreseeable future. However, the determination of PFIC status is a factual determination that must be made annually and cannot be made until the close of a taxable year. In particular, our PFIC status may be determined in large part based on the market price of the ADSs and our ordinary shares. The market price of the ADSs and our ordinary shares may fluctuate, and a significant decrease in the market price could cause us to be treated as a PFIC. Moreover, the determination of PFIC status depends, in part, on the application of complex U.S. federal income tax rules which are subject to differing interpretations. Accordingly, there can be no assurance that we would not be a PFIC for the current taxable year or any future taxable year.

If we are a PFIC, a U.S. holder will be subject to a special tax at ordinary income tax rates on ''excess distributions,'' including certain distributions by us and any gain that the U.S. holder recognizes on the sale or other disposition of the ADSs or our ordinary shares. Distributions received by a U.S. holder (other than distributions in the first year that a U.S. holder holds the ADSs or ordinary shares) in a taxable year that exceed 125% of the average annual distributions received during the shorter of the three preceding taxable years or the portion of the U.S. holder's holding period for the ADSs or ordinary shares that precedes the taxable year of the distribution will be treated as an excess distribution. The amount of U.S. federal income tax on any excess distributions will be increased by an interest charge to compensate for the tax deferral, calculated as if the excess distributions were earned ratably over the period that the U.S. holder has held the ADSs or ordinary shares. Dividends received with respect to the ADSs or our ordinary shares will not be eligible for the preferential tax rate applicable to ''qualified dividend income'' received by non-corporate U.S. holders if we are a PFIC for the taxable year of the distribution or for the preceding taxable year. Classification as a PFIC may also have other adverse tax consequences. A U.S. holder may be able to mitigate certain of these adverse tax consequences if it

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is able to make a timely qualified electing fund election (a ''QEF election'') or a mark to market election with respect to the ADSs. However, a QEF election may only be made by a U.S. holder if we provide such holder with certain information, and we do not expect to provide U.S. holders with the information necessary to make a QEF election in the event we were to be a PFIC.

If we are a PFIC in any year in which a U.S. holder owns the ADSs or our ordinary shares, we would continue to be treated as a PFIC with respect to such U.S. holder in all succeeding years during which the U.S. holder owns the ADSs or ordinary shares, regardless of whether we continue to meet the tests described above, unless we cease to be a PFIC and the U.S. holder has made certain elections under applicable U.S. Treasury regulations with respect to its ADSs or ordinary shares.

If a U.S. holder owns the ADSs or our ordinary shares during any taxable year in which we are a PFIC, the U.S. holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with respect to the Company, generally with the U.S. holder's U.S. federal income tax return for that year. U.S. holders should consult their tax advisor regarding any annual filing requirements.

The U.S. federal income tax rules relating to PFICs are complex. Prospective U.S. holders should consult their tax advisors with respect to the acquisition, ownership and disposition of the ADSs or our ordinary shares, the consequences to them of an investment in a PFIC, any elections available with respect to the ADSs or ordinary shares (including QEF elections and mark-to-market elections) and the IRS information reporting obligations with respect to the acquisition, ownership and disposition of the ADSs and ordinary shares.

Backup Withholding and Information Reporting. U.S. holders generally will be subject to information reporting requirements with respect to dividends paid on the ADSs or our ordinary shares, and on the proceeds from the sale, exchange or other disposition of the ADSs or our ordinary shares that are paid within the United States or through U.S.-related financial intermediaries, unless the U.S. holder is an ''exempt recipient.'' In addition, U.S. holders may be subject to backup withholding on such payments, unless the U.S. holder provides a correct taxpayer identification number and a duly executed IRS Form W-9 or otherwise establishes an exemption. Backup withholding is not an additional tax, and the amount of any backup withholding will be allowed as a credit against a U.S. holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

Foreign Asset Reporting. Certain U.S. holders who are individuals are required to report information relating to an interest in the ADSs and our ordinary shares, subject to certain exceptions (including an exception for ADSs and ordinary shares held in accounts maintained by U.S. financial institutions) by filing IRS Form 8938 (*Statement of Specified Foreign Financial Assets*) with their U.S. federal income tax return. Substantial penalties may be imposed upon a U.S. holder that fails to comply. U.S. holders should consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of the ADSs or our ordinary shares.

THE DISCUSSION ABOVE IS A SUMMARY OF THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE ADSs AND IS BASED UPON LAWS AND RELEVANT INTERPRETATIONS THEREOF IN EFFECT AS OF THE DATE OF THIS REGISTRATION STATEMENT, ALL OF WHICH ARE SUBJECT TO CHANGE OR DIFFERING INTERPRETATION, POSSIBLY WITH RETROACTIVE EFFECT. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE ADSs IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

Australian Tax Considerations

In this section, we discuss material Australian income tax, stamp duty and goods and services tax considerations related to the acquisition, ownership and disposal by the absolute beneficial owners of the ADSs or ordinary shares represented by ADSs. It is based upon existing Australian tax law and administrative practice as of the date of this registration statement, which is subject to change, possibly retrospectively. This discussion does not address all aspects of Australian tax law which may be important to particular investors in light of their individual investment circumstances, such as ADSs or shares held by investors subject to special tax rules (for example, financial institutions, insurance companies or tax exempt organizations). In addition, this summary does not discuss any non-Australian or state tax considerations, other than stamp duty.

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Prospective investors are urged to consult their tax advisors regarding the Australian and non-Australian income and other tax considerations of the acquisition, ownership and disposition of the ADSs or shares, including before the deposit of shares with the depositary in exchange for ADSs. This summary is based upon the premise and assumption that the holder of an ADS is not an Australian tax resident and is not carrying on business in Australia through a permanent establishment or similar taxable nexus (referred to as a ''Non-Australian Holder'' in this summary).

Nature of ADSs for Australian Taxation Purposes

Prospective investors and non-Australian holders of ADSs should obtain specialist Australian tax advice regarding their rights and obligations under the deposit agreement with the depositary, including whether the deposit arrangement would result in the holders of an ADS being ''absolutely entitled'' to the underlying shares represented by the ADS for Australian taxation purposes, especially before the prospective investor or Non-Australian Holder takes any action either to: (1) deposit ordinary shares to the depositary in exchange for ADSs; or (2) surrender ADSs to the depositary for cancellation to receive the ordinary shares underlying the Non-Australian Holder's ADSs. Apart from certain aspects of the Australian tax legislation (for example, the Australian capital gains tax and withholding tax provisions, which are discussed below), there is no express legislative basis for disregarding ''bare trusts'' or similar arrangements for Australian tax purposes generally, and the Australian Taxation Office has not published any binding guidance in respect of ADS arrangements.

Consistent with our understanding that the deposit agreement, which is proposed for the holders of ADSs, is on similar terms to agreements that govern ADSs in respect of other foreign private issuers, this summary proceeds on the assumption that the deposit arrangement results in holders of ADSs being ''absolutely entitled'' to the underlying shares and also ''presently entitled'' to any dividend paid on the underlying ordinary shares. On this basis, holders of ADSs can be treated as the owners of the underlying ordinary shares for Australian capital gains tax purposes anddividends paid on the underlying ordinary shares will also be treated as dividends derived by the holders of ADSs as the persons presently entitled to those dividends.

The Australian tax implications of depositing shares with the depositary in exchange for ADSs will depend on the individual circumstances of the investor. Generally, for investors who hold such shares on capital account, on the basis of the assumption regarding absolute entitlement the deposit of such shares with the depositary should not be subject to Australian capital gains tax.

Taxation of Dividends

Australia operates a dividend imputation system under which dividends may be declared to be ''franked'' to the extent they are paid out of company profits that have been subject to income tax. Fully franked dividends are not subject to dividend withholding tax. To the extent that they are unfranked, dividends payable to Non-Australian Holders will be subject to dividend withholding tax except to the extent they are declared to be ''conduit foreign income'', or CFI. Dividend withholding tax will be imposed at 30%, unless a shareholder or other specified recipient is a resident of a country with which Australia has a double taxation treaty and qualifies for the benefits of the treaty. For example. under the provisions of the current Double Taxation Convention between Australia and the United States, the Australian tax withheld on unfranked dividends that are not declared to be CFI paid by us to which a resident of the United States is beneficially entitled generally is limited to 15%.

However, under the Double Taxation Convention between Australia and the United States, if a U.S. resident company that is a Non-Australian Holder directly owns a 10% or more voting interests in Novonix, the Australian tax withheld on unfranked dividends that are not declared to be CFI paid by us to which the company is beneficially entitled is generally limited to 5%.

Character of ADSs or Shares for Australian Taxation Purposes

The Australian tax treatment of a sale or disposal of the ADSs or underlying shares will depend on whether they are held on revenue or capital account. ADSs may be held on revenue rather than capital account, for example, where they are held by share traders or any profit arises from a profit-making undertaking or scheme entered into by the holder. Non-Australian Holders of ADSs should obtain specialist Australian tax advice regarding the characterization of any gain or loss on a sale or disposal of the ADSs or underlying shares as revenue or capital in nature.

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Tax on Sales or other Dispositions of Shares or ADSs—Capital Gains Tax

Non-Australian Holders who are treated as the owners of the underlying shares on the basis that they are absolutely entitled to those shares will not be subject to Australian capital gains tax on the gain made on a sale or other disposal of ordinary shares, provided the shares are not ''taxable Australian property.'' Taxable Australian property includes ''indirect Australian real property interests,'' which are interests in a company where:

- that Non-Australian Holder, together with its associates (as defined in the relevant Australian tax legislation), holds 10% or more of that company's issued shares, at the time of disposal or for a 12-month period during the two years prior to disposal; and
- more than 50% of that company's assets held directly or indirectly, determined by reference to market value, consists of Australian real property (which includes land and leasehold interests) or Australian mining, quarrying or prospecting rights at the time of disposal.

Australian capital gains tax applies to net capital gains at a taxpayer's marginal tax rates. Net capital gains are calculated after reduction for capital losses, which may only be offset against capital gains.

If a Non-Australian Holder of ADSs was not absolutely entitled to the underlying shares, and the ADSs were held on capital account, the same principles would apply in determining whether a gain on the sale or disposal of the ADSs would be subject to Australian capital gains tax. That is, a Non-Australian Holder should not be directly subject to Australian capital gains tax on the sale or disposal of the ADSs provided the ADSs are not ''taxable Australian property''.

The 50% capital gains tax discount is not available to Non-Australian Holders on gains from assets where they were non-Australian residents during the entire holding period. Companies are not entitled to a capital gains tax discount.

Broadly, where there is a disposal of ''taxable Australian property,'' which includes indirect Australian real property interests, the purchaser will be required to withhold and remit to the Australian Taxation Office, or the ATO, 12.5% of the proceeds from the sale. A transaction is excluded from the withholding requirements in certain circumstances, including where the transaction is an on-market transaction conducted on an approved stock exchange, a securities lending arrangement, or the transaction is conducted using a broker operated crossing system. There may also be an exception to the requirement to withhold where a Non-Australian Holder provides a declaration that their ordinary shares are not ''indirect Australian real property interests.'' The Non-Australian Holder may be entitled to receive a tax credit for the tax withheld by the purchaser which they may claim in their Australian income tax return.

Tax on Sales or other Dispositions of ADSs—Revenue Account

Non-Australian Holders who hold their ADSs on revenue account may have the gains made on the sale or other disposal of the ADSs included in their assessable income under the ordinary income provisions of the income tax law, if the gains are sourced in Australia. In the case of gains which are ordinary income, there are no express provisions which treat holders of ADSs as the owners of the underlying shares where they are absolutely entitled to those shares.

Non-Australian Holders assessable under these ordinary income provisions in respect of gains made on ADSs held on revenue account would be assessed for such gains at the Australian tax rates for non-Australian residents, which start at a marginal rate of 32.5% for individuals and would be required to file an Australian tax return. Some relief from Australian income tax may be available to a Non-Australian Holder who is resident of a country with which Australia has a double taxation treaty, qualifies for the benefits of the treaty and does not, for example, derive the gain in carrying on business through a permanent establishment (or similar taxable nexus) in Australia.

To the extent an amount would be included in a Non-Australian Holder's assessable income under both the capital gains tax provisions and the ordinary income provisions, the capital gain amount may be reduced, so that the holder may not be subject to double Australian tax on any part of the gain.

The statements under ‘‘—Tax on Sales or Other Dispositions of Shares—Capital Gains Tax’’ regarding a purchaser being required to withhold 12.5% tax on the acquisition of certain taxable Australian property are also relevant where the disposal of the ADSs by a Non-Australian Holder is likely to generate gains on revenue account, rather than a capital gain.

Dual Residency

If a holder of ADSs is a resident of both Australia and another jurisdiction (such as the United States) under those countries' domestic taxation laws, that holder may be subject to tax as an Australian resident. If, however, the holder is determined to be a resident of that other jurisdiction for the purposes of the applicable double tax treaty (for example the Double Taxation Convention between the United States and Australia and qualifies for the benefit of that treaty, the Australian tax may be subject to limitation by that double tax treaty. Holders should obtain specialist taxation advice in these circumstances.

Stamp Duty

No Australian stamp duty is payable by Australian residents or non-Australian residents on the issue, transfer and/or surrender of the ADSs or ordinary shares, provided that the securities issued, transferred and/or surrendered do not represent 90% or more of our issued shares.

Australian Death Duty

Australia does not have estate or death duties. As a general rule, no capital gains tax liability is realized upon the inheritance of a deceased person's shares. The disposal of inherited shares by beneficiaries may, however, give rise to a capital gains tax liability if the gain falls within the scope of Australia's jurisdiction to tax.

Goods and Services Tax

No Australian goods and services tax will be payable on the supply of the ADSs or ordinary shares.

THE DISCUSSION ABOVE IS A SUMMARY OF THE AUSTRALIAN TAX CONSEQUENCES OF AN INVESTMENT IN OUR ORDINARY SHARES OR ADSs AND IS BASED UPON LAWS AND RELEVANT INTERPRETATIONS THEREOF IN EFFECT AS OF THE DATE OF THIS REGISTRATION STATEMENT, ALL OF WHICH ARE SUBJECT TO CHANGE, POSSIBLY WITH RETROACTIVE EFFECT. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN OUR ORDINARY SHARES OR ADSs IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES

F. Dividends and Paying Agents

We have not declared any dividends since our inception and do not anticipate that we will do so in the foreseeable future. We currently intend to retain future earnings, if any, to finance the development of our business. Dividends, if any, on our outstanding ordinary shares will be declared by and subject to the discretion of our Board of Directors on the basis of our earnings, financial requirements and other relevant factors, and subject to Australian law.

Any dividend we declare will be paid to the holders of ADSs, subject to the terms of the deposit agreement, to the same extent as holders of our ordinary shares, to the extent permitted by applicable law and regulations, less the fees and expenses payable under the deposit agreement. Any dividend we declare will be distributed by the depositary to the holders of ADSs, subject to the terms of the deposit agreement. See ‘‘Description of Securities Other Than Equity Securities - American Depositary Shares’’.

We have not appointed any paying agent.

G. Statement by Experts

The consolidated financial statements of the Company as of June 30, 2021 and 2020 and for each of the three years in the period ended June 30, 2021 included in this Form 20-F have been so included in reliance on the report (which contains an explanatory paragraph relating to the Company's ability to continue as a going concern as described in Note 1 to the consolidated financial statements) of PricewaterhouseCoopers, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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H. Documents on Display

Upon effectiveness of this registration statement, we will be subject to the periodic reporting and other informational requirements of the Securities Exchange Act of 1934, as amended (the ‘‘Exchange Act’’). Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within 120 days of each fiscal year. Copies of reports and other information, when so filed, may be inspected without charge and may be obtained at prescribed rates at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

In addition, since our ordinary shares are traded on the ASX, we have file annual and semi-annual reports with, and furnish information to, the ASX, as required under the ASX Listing Rules and the Corporations Act. Copies of our filings with the ASX can be retrieved electronically at www.asx.com.au We also maintain a web site at www.novonixgroup.com. The information contained on our website or available through our website is not incorporated by reference into and should not be considered a part of this registration statement on Form 20-F, and the reference to our website in this registration statement on Form 20-F is an inactive textual reference only.

I. Subsidiary Information

Not applicable.

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Item 11. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign currency exchange rate risk.

Interest Rate Risk

As of June 30, 2021, we had cash and cash equivalents of A$136,663,976. Our exposure to market interest rates relates primarily to the short-term deposits. The deposits are held with one of Australia's largest banks. Our cash and cash equivalents are not locked into long-term deposits at fixed rates so as to mitigate the risk of earning interest below the current floating rate. The Group has exposure to borrowings at variable interest rates. As of June 30, 2021, we had borrowings of A$6,263,625, of which A$5,407,932 bore variable interest rates.

As of June 30, 2020, we had cash and cash equivalents of A$38,807,662. Our exposure to market interest rates relates primarily to the short-term deposits. The deposits are held with one of Australia's largest banks. Our cash and cash equivalents are not locked into long-term deposits at fixed rates so as to mitigate the risk of earning interest below the current floating rate. The Group has exposure to borrowings at variable interest rates. As of June 30, 2020, we had borrowings of A$2,212,011, of which A$1,271,109 bore variable interest rates.

Foreign Currency Exchange Rate Risk

Our reporting currency is the Australian dollar, although nearly all of our revenue is, and is expected in the future to be, collected in U.S. dollars, most of the operating expenses associated with our BTS business are payable in Canadian dollars and most of the operating expenses associated with our NOVONIX Anode Materials business are payable in U.S. dollars. As a result, our financial assets and liabilities and foreign currency denominated transactions are affected by movements in the applicable exchange rate. As our NOVONIX Anode Materials business grows outside of North America it is possible that it transacts in, or is otherwise exposed to, additional currencies in the future. As of the date of this registration statement, we do not, and we do not have any current expectation to, enter into any hedging transactions.

As of June 30, 2020, and June 30, 2021, we had a net liability exposure of A$1.8 million and a net liability exposure of A$6.1 million, respectively, to the Canadian dollar, and net asset exposure of A$16.8 million and a net asset exposure of A$71.0 million, respectively, to the U.S. dollar, in both cases primarily in borrowings and cash.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities.

Not applicable.

D. American Depositary Shares

The Bank of New York Mellon, as depositary, will register and deliver American Depositary Shares, also referred to as ADSs. Each ADS will represent four shares (or a right to receive four shares) deposited with The Honk Kong and Shanghai Banking Corporation Limited, as custodian for the depositary in Australia. Each ADS will also represent any other securities, cash or other property that may be held by the depositary. The deposited shares together with any other securities, cash or other property held by the depositary are referred to as the deposited securities. The depositary's office at which the ADSs will be administered and its principal executive office are located at 240 Greenwich Street, New York, New York 10286.

You may hold ADSs either (A) directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having

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uncertificated ADSs registered in your name, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution that is a direct or indirect participant in The Depository Trust Company, also called DTC. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Registered holders of uncertificated ADSs will receive statements from the depositary confirming their holdings.

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Australian law governs shareholder rights. The depositary will be the holder of the shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary, ADS holders and all other persons indirectly or beneficially holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADR. Directions on how to obtain copies of those documents are provided in ''Item 10. Additional Information—H. Documents on Display.''

Dividends and Other Distributions

How will you receive dividends and other distributions on the shares?

The depositary has agreed to pay or distribute to ADS holders the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, upon payment or deduction of its fees and expenses. You will receive these distributions in proportion to the number of shares your ADSs represent.

Cash. The depositary will convert any cash dividend or other cash distribution we pay on the shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. See "Item 10. Additional Information—E. Taxation." The depositary will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some of the value of the distribution.

Shares. The depositary may distribute additional ADSs representing any shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. It will sell shares which would require it to deliver a fraction of an ADS (or ADSs representing those shares) and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares. The depositary may sell a portion of the distributed shares (or ADSs representing those shares) sufficient to pay its fees and expenses in connection with that distribution.

Rights to purchase additional shares. If we offer holders of our securities any rights to subscribe for additional shares or any other rights, the depositary may (i) exercise those rights on behalf of ADS holders, (ii) distribute those rights to ADS holders or (iii) sell those rights and distribute the net proceeds to ADS holders, in each case after deduction or upon payment of its fees and expenses. To the extent the depositary does not do any of those things, it will allow the rights to lapse. In that case, you will receive no value for them. The depositary will exercise or distribute rights only if we ask it to and provide satisfactory assurances to the depositary that it is legal to do so. If the depositary will exercise rights, it will purchase the securities to which the rights relate and distribute those securities or, in the case of shares, new ADSs representing the new shares,

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to subscribing ADS holders, but only if ADS holders have paid the exercise price to the depositary. U.S. securities laws may restrict the ability of the depositary to distribute rights or ADSs or other securities issued on exercise of rights to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

Other Distributions. The depositary will send to ADS holders anything else we distribute on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the depositary has a choice. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. The depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution. U.S. securities laws may restrict the ability of the depositary to distribute securities to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. This means that you may not receive the distributions we make on our shares or any value for them if it is illegal or impractical for us to make them available to you.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposits shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to the person or persons that made the deposit.

How can ADS holders withdraw the deposited securities?

You may surrender your ADSs to the depositary for the purpose of withdrawal. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian. Or, at your request, risk and expense, the depositary will deliver the deposited securities at its office, if feasible. However, the depositary is not required to accept surrender of ADSs to the extent it would require delivery of a fraction of a deposited share or other security. The depositary may charge you a fee and its expenses for instructing the custodian regarding delivery of deposited securities.

How do ADS holders interchange between certificated ADSs and uncertificated ADSs?

You may surrender your ADR to the depositary for the purpose of exchanging your ADR for uncertificated ADSs. The depositary will cancel that ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Upon receipt by the depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

Voting Rights

How do you vote?

ADS holders may instruct the depositary how to vote the number of deposited shares their ADSs represent. If we request the depositary to solicit your voting instructions (and we are not required to do so), the depositary will notify you of a shareholders' meeting and send or make voting materials available to you. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary. The depositary will try, as far as practical, subject to the laws of Australia and the provisions of our articles of association or similar

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documents, to vote or to have its agents vote the shares or other deposited securities as instructed by ADS holders. If we do not request the depositary to solicit your voting instructions, you can still send voting instructions, and, in that case, the depositary may try to vote as you instruct, but it is not required to do so.

Except by instructing the depositary as described above, you won't be able to exercise voting rights unless you surrender your ADSs and withdraw the shares. However, you may not know about the meeting enough in advance to withdraw the shares. In any event, the depositary will not exercise any discretion in voting deposited securities and it will only vote or attempt to vote as instructed.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the shares represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise voting rights and there may be nothing you can do if the shares represented by your ADSs are not voted as you requested.

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to Deposited Securities, if we request the Depositary to act, we agree to give the depositary notice of any such meeting and details concerning the matters to be voted upon at least 45 days in advance of the meeting date.

Fees and Expenses

Persons depositing or withdrawing shares or ADS holders must pay:	***For:***
$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property
	Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
$.05 (or less) per ADS	Any cash distribution to ADS holders
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depositary to ADS holders
$.05 (or less) per ADS per calendar year	Depositary services
Registration or transfer fees	Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
Expenses of the depositary	Cable (including SWIFT) and facsimile transmissions (when expressly provided in the deposit agreement)
Converting foreign currency to U.S. dollars	
Taxes and other governmental charges the depositary or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes	As necessary
Any charges incurred by the depositary or its agents for servicing the deposited securities	As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry

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system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads or commissions.

The depositary may convert currency itself or through any of its affiliates, or the custodian or we may convert currency and pay U.S. dollars to the depositary. Where the depositary converts currency itself or through any of its affiliates, the depositary acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained by it or its affiliate in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligation to act without negligence or bad faith. The methodology used to determine exchange rates used in currency conversions made by the depositary is available upon request. Where the custodian converts currency, the custodian has no obligation to obtain the most favorable rate that could be obtained at the time or to ensure that the method by which that rate will be determined will be the most favorable to ADS holders, and the depositary makes no representation that the rate is the most favorable rate and will not be liable for any direct or indirect losses associated with the rate. In certain instances, the depositary may receive dividends or other distributions from us in U.S. dollars that represent the proceeds of a conversion of foreign currency or translation from foreign currency at a rate that was obtained or determined by us and, in such cases, the depositary will not engage in, or be responsible for, any foreign currency transactions and neither it nor we make any representation that the rate obtained or determined by us is the most favorable rate and neither it nor we will be liable for any direct or indirect losses associated with the rate.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until those taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes.

Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities

The depositary will not tender deposited securities in any voluntary tender or exchange offer unless instructed to do so by an ADS holder surrendering ADSs and subject to any conditions or procedures the depositary may establish.

If deposited securities are redeemed for cash in a transaction that is mandatory for the depositary as a holder of deposited securities, the depositary will call for surrender of a corresponding number of ADSs and distribute the net redemption money to the holders of called ADSs upon surrender of those ADSs.

If there is any change in the deposited securities such as a sub-division, combination or other reclassification, or any merger, consolidation, recapitalization or reorganization affecting the issuer of deposited securities in which the depositary receives new securities in exchange for or in lieu of the old deposited securities, the depositary will hold those replacement securities as deposited securities under the deposit

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agreement. However, if the depositary decides it would not be lawful and practical to hold the replacement securities because those securities could not be distributed to ADS holders or for any other reason, the depositary may instead sell the replacement securities and distribute the net proceeds upon surrender of the ADSs.

If there is a replacement of the deposited securities and the depositary will continue to hold the replacement securities, the depositary may distribute new ADSs representing the new deposited securities or ask you to surrender your outstanding ADSs in exchange for new ADSs identifying the new deposited securities.

If there are no deposited securities underlying ADSs, including if the deposited securities are cancelled, or if the deposited securities underlying ADSs have become apparently worthless, the depositary may call for surrender of those ADSs or cancel those ADSs upon notice to the ADS holders.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended.

How may the deposit agreement be terminated?

The depositary will initiate termination of the deposit agreement if we instruct it to do so. The depositary may initiate termination of the deposit agreement if

- 60 days have passed since the depositary told us it wants to resign but a successor depositary has not been appointed and accepted its appointment;
- we delist the ADSs from an exchange in the United States on which they were listed and do not list the ADSs on another exchange in the United States or make arrangements for trading of ADSs on the U.S. over-the-counter market;
- we delist our shares from an exchange outside the United States on which they were listed and do not list the shares on another exchange outside the United States;
- the depositary has reason to believe the ADSs have become, or will become, ineligible for registration on Form F-6 under the Securities Act of 1933;
- we appear to be insolvent or enter insolvency proceedings;
- all or substantially all the value of the deposited securities has been distributed either in cash or in the form of securities;
- there are no deposited securities underlying the ADSs or the underlying deposited securities have become apparently worthless; or
- there has been a replacement of deposited securities.

If the deposit agreement will terminate, the depositary will notify ADS holders at least 90 days before the termination date. At any time after the termination date, the depositary may sell the deposited securities. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, unsegregated and without liability for interest, for the pro rata benefit of the ADS holders that have not surrendered their ADSs. Normally, the depositary will sell as soon as practicable after the termination date.

After the termination date and before the depositary sells, ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the depositary may refuse to accept a surrender for the purpose of withdrawing deposited securities or reverse previously accepted surrenders of that kind that have not settled if it would interfere with the selling process. The depositary may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The depositary will

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continue to collect distributions on deposited securities, but, after the termination date, the depositary is not required to register any transfer of ADSs or distribute any dividends or other distributions on deposited securities to the ADSs holder (until they surrender their ADSs) or give any notices or perform any other duties under the deposit agreement except as described in this paragraph.

Limitations on Obligations and Liability

Limits on our Obligations and the Obligations of the Depositary; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary. We and the depositary:

are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith, and the depositary will not be a fiduciary or have any fiduciary duty to holders of ADSs;

are not liable if we are or it is prevented or delayed by law or by events or circumstances beyond our or its ability to prevent or counteract with reasonable care or effort from performing our or its obligations under the deposit agreement;

are not liable if we or it exercises discretion permitted under the deposit agreement;

are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;

have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person;

may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person;

are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and

the depositary has no duty to make any determination or provide any information as to our tax status, or any liability for any tax consequences that may be incurred by ADS holders as a result of owning or holding ADSs or be liable for the inability or failure of an ADS holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

Requirements for Depositary Actions

Before the depositary will deliver or register a transfer of ADSs, make a distribution on ADSs, or permit withdrawal of shares, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depositary may refuse to deliver ADSs or register transfers of ADSs when the transfer books of the depositary or our transfer books are closed or at any time if the depositary or we think it advisable to do so.

Your Right to Receive the Shares Underlying your ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying shares at any time except:

- when temporary delays arise because: (i) the depositary has closed its transfer books or we have closed our transfer books; (ii) the transfer of shares is blocked to permit voting at a shareholders' meeting; or (iii) we are paying a dividend on our shares;
- when you owe money to pay fees, taxes and similar charges; or

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- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the Direct Registration System, also referred to as DRS, and Profile Modification System, also referred to as Profile, will apply to the ADSs. DRS is a system administered by DTC that facilitates interchange between registered holding of uncertificated ADSs and holding of security entitlements in ADSs through DTC and a DTC participant. Profile is a feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of uncertificated ADSs, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery as described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depositary's reliance on and compliance with instructions received by the depositary through the DRS/Profile system and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the depositary.

Shareholder Communications; Inspection of Register of Holders of ADSs

The depositary will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depositary will send you copies of those communications or otherwise make those communications available to you if we ask it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.

Jury Trial Waiver

The deposit agreement provides that, to the extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable case law.

You will not, by agreeing to the terms of the deposit agreement, be deemed to have waived our or the depositary's compliance with U.S. federal securities laws or the rules and regulations promulgated thereunder

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to The Rights Of Security Holders And Use Of Proceeds

Not applicable.

Item 15. Controls and Procedures

Not applicable.

Item 16. [RESERVED]

Item 16A. Audit Committee Financial Expert

Not applicable.

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Item 16B. Code of Ethics

Not applicable.

Item 16C. Principal Accounting Fees and Services

Not applicable.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Not applicable.

Item 16H. Mine Safety Disclosure

Not applicable.

PART III

Item 17. Financial Statements

The Company has elected to furnish the financial statements and related information specified in Item 18.

Item 18. Financial Statements

The consolidated financial statements and related notes required by this Item 18 are included in this registration statement beginning on page F-1.

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Item 19. Exhibits

INDEX TO EXHIBITS

Exhibit Number	Description of Exhibit
1.1	Certificate of Registration of the Registrant.
1.2	Constitution of the Registrant.
2.1*	Form of Deposit Agreement.
2.2*	Form of American Depositary Receipt evidencing American Depositary Shares (included in Exhibit 2.1).
4.1	Form of Deed of Indemnity, Insurance and Access.
4.2†	Executive Option Plan
4.3†	Performance Rights Plan
4.4	Purchase and Sale Agreement entered into as of April 12, 2021, between West End Property II, LLC and PUREgraphite, LLC.
4.5	First Amendment to the Purchase and Sale Agreement entered into as of June 9, 2021, between West End Property II, LLC and PUREgraphite, LLC.
4.6	Second Amendment to the Purchase and Sale Agreement entered into as of June 30, 2021, between West End Property II, LLC and PUREgraphite, LLC.
4.7	Third Amendment to the Purchase and Sale Agreement entered into as of July 22, 2021, between West End Property II, LLC and PUREgraphite, LLC.
4.8	Loan Agreement dated as of July 28, 2021, between Novonix 1029, LLC and DBR Investments Co. Limited.
4.9	Subscription Agreement dated as of August 9, 2021, between NOVONIX Limited and Phillips 66 Company.
8.1	List of subsidiaries.
15.1	Consent of PricewaterhouseCoopers, independent registered public accounting firm.
15.2	Consent of Benchmark Mineral Intelligence Limited

† Indicates a management contract or compensatory plan arrangement

* To be filed by amendment.

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing of Form 20-F and that it has duly caused and authorized the undersigned to sign this registration statement on its behalf.

NOVONIX LIMITED

By: /s/ Dr. John Christopher Burns

Dr. John Christopher Burns
Chief Executive Officer

Date: January 6, 2022

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NOVONIX LIMITED

ABN 54 157 690 830

ANNUAL FINANCIAL REPORT – 30 JUNE 2021

Financial statements
- Consolidated statement of profit or loss and other comprehensive income F-2
- Consolidated balance sheet F-3
- Consolidated statement of changes in equity F-4
- Consolidated statement of cash flows F-5
- Notes to the consolidated financial statements F-6

Report of Independent Registered Public Accounting Firm F-47

These financial statements are consolidated financial statements for the Group consisting of NOVONIX Limited and its subsidiaries. A list of major subsidiaries is included in note 27.

The financial statements are presented in the Australian currency.

NOVONIX Limited is a Company limited by shares, incorporated and domiciled in Australia.

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Consolidated statement of profit or loss and other comprehensive income for the years ended 30 June 2021

	Notes	Consolidated 2021 $	Consolidated 2020 $	Consolidated 2019 $
Revenue from contracts with customers	3	5,227,347	4,253,435	1,817,049
Cost of goods sold (exclusive of depreciation presented separately)		(969,774)	(1,245,187)	(741,280)
Administrative and other expenses		(3,945,829)	(2,739,398)	(1,671,006)
Borrowing costs	5	(229,394)	(5,330,961)	(1,565,032)
Impairment losses	5	(2,764,940)	—	(15,918,925)
Depreciation and amortisation expenses		(1,697,754)	(1,380,303)	(494,948)
Marketing and project development costs		(2,809,984)	(2,423,546)	(1,560,551)
Share based compensation	5	(5,948,532)	(7,558,953)	(6,673,510)
Employee benefits expense		(5,837,926)	(4,072,223)	(2,104,176)
Foreign currency (loss)/gain		(83,943)	(376,267)	134,109
Share of net losses of joint ventures		—	—	(751,981)
Other income	4	984,652	844,877	3,024,684
Loss before income tax expense		(18,076,077)	(20,028,526)	(26,505,567)
Income tax (expense)/benefit	6	—	—	383,655
Loss from continuing operations		(18,076,077)	(20,028,526)	(26,121,912)
Other comprehensive income for the year, net of tax				
Items that may be reclassified to profit or loss				
Foreign exchange differences on translation of foreign operations		(2,101,097)	550,243	809,396
Total comprehensive loss for the year		(20,177,174)	(19,478,283)	(25,312,516)
		Cents	Cents	Cents
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company:				
Basic earnings per share	9	(4.9 cents)	(14.7 cents)	(21.2 cents)
Diluted earnings per share	9	(4.9 cents)	(14.7 cents)	(21.2 cents)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Consolidated balance sheet
As at 30 June 2021

	Notes	Consolidated 2021 $	Consolidated 2020 $
ASSETS			
Current assets			
Cash and cash equivalents	12	136,663,976	38,807,662
Trade and other receivables	13	2,042,963	1,075,358
Inventory	15	2,780,373	1,366,985
Prepayments	14	2,538,207	152,434
Total current assets		144,025,519	41,402,439
Non-current assets			
Property, plant and equipment	16	31,578,445	9,620,797
Right-of-use assets	21	7,406,943	2,853,427
Exploration and evaluation assets	17	3,108,073	2,988,921
Intangible assets	18	16,581,709	18,367,245
Other assets		156,584	24,589
Total non-current assets		58,831,754	33,854,979
Total assets		202,857,273	75,257,418
LIABILITIES			
Current liabilities			
Trade and other payables	19	4,356,556	3,494,227
Contract liabilities	20	310,102	98,783
Lease liabilities	21	410,792	141,124
Borrowings	22	277,060	274,917
Total current liabilities		5,354,510	4,009,051
Non-current liabilities			
Lease liabilities	21	7,120,396	2,778,979
Borrowings	22	5,986,565	1,937,095
Total non-current liabilities		13,106,961	4,716,074
Total liabilities		18,461,471	8,725,125
Net assets		184,395,802	66,532,293
EQUITY			
Contributed equity	23	233,196,507	99,851,510
Reserves	24	33,132,556	30,537,967
Accumulated losses		(81,933,261)	(63,857,184)
Total equity		184,395,802	66,532,293

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
For the years ended 30 June 2021

Consolidated Group	Contributed equity $	Accumulated losses $	Reserves: Share based payments reserve $	Reserves: Foreign currency translation reserve $	Reserves: Convertible loan note reserve $	Total $
Balance at 1 July 2018	38,163,405	(17,706,746)	8,585,446	140,608	2,426,120	31,608,833
Loss for the year	—	(26,121,912)	—	—	—	(26,121,912)
Other comprehensive income	—	—	—	809,396	—	809,396
Total comprehensive (loss)/income	—	(26,121,912)	—	809,396	—	(25,312,516)
Transactions with owners in their capacity as owners:						
Equity component of convertible notes, net of transaction costs	—	—	—	—	2,802,951	2,802,951
Share-based payments	—	—	6,673,510	—	—	6,673,510
Balance at 30 June 2019	38,163,405	(43,828,658)	15,258,956	950,004	5,229,071	15,772,778
Loss for the year	—	(20,028,526)	—	—	—	(20,028,526)
Other comprehensive income	—	—	—	550,243	—	550,243
Total comprehensive (loss)/income	—	(20,028,526)	—	550,243	—	(19,478,283)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	61,688,105	—	—	—	—	61,688,105
Equity component of convertible notes, net of transaction costs	—	—	—	—	990,741	990,741
Share-based payments	—	—	7,558,952	—	—	7,558,952
Balance at 30 June 2020	99,851,510	(63,857,184)	22,817,908	1,500,247	6,219,812	66,532,293
Loss for the year	—	(18,076,077)	—	—	—	(18,076,077)
Other comprehensive loss	—	—	—	(2,101,097)	—	(2,101,097)
Total comprehensive loss	—	(18,076,077)	—	(2,101,097)	—	(20,177,174)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	131,844,997	—	—	—	—	131,844,997
Settlement of limited recourse loan (note 24(f))	1,500,000	(1,252,846)	247,154			
Share-based payments	—	—	5,948,532	—	—	5,948,532
Balance at 30 June 2021	233,196,507	(81,933,261)	27,513,594	(600,850)	6,219,812	184,395,802

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Consolidated statement of cash flows
For the years ended 30 June 2021

	Notes	Consolidated 2021 $	2020 $	2019 $
Cash flows from operating activities				
Receipts from customers (inclusive of consumption tax)		5,724,549	3,542,286	2,179,964
Payments to suppliers and employees (inclusive of consumption tax)		(14,555,132)	(9,748,625)	(6,464,050)
Interest received		35,066	723	4,533
Payment of borrowing costs		(227,789)	(232,055)	(154,047)
Government grants received		851,242	844,155	433,513
Net cash outflow from operating activities	26	(8,172,064)	(5,593,517)	(4,000,087)
Cash flows from investing activities				
Payments for exploration assets		(117,635)	(146,195)	(270,027)
Net outflow from the acquisition of Novonix Anode Materials		—	—	(5,195,171)
Payments for security deposits		(134,250)	(16,369)	(500)
Payments for property, plant and equipment		(26,164,470)	(5,339,448)	(1,888,231)
Net cash outflow from investing activities		(26,416,355)	(5,502,012)	(7,353,929)
Cash flows from financing activities				
Proceeds on issue of shares		136,818,667	45,845,239	—
Proceeds on issue of loan notes (net of expenses)		—	—	12,334,899
Payment of share issue expenses		(7,908,866)	(1,308,596)	—
Proceeds from borrowings		4,059,714	6,603,722	4,582,160
Principal elements of lease repayments		(190,426)	(141,968)	—
Repayment of borrowings		(86,543)	(6,996,422)	(56,319)
Net cash inflow from financing activities		132,692,546	44,001,975	16,860,740
Net increase (decrease) in cash and cash equivalents		98,104,127	32,906,446	5,506,724
Effects of foreign currency		(247,813)	(153,448)	182,348
Cash and cash equivalents at the beginning of the year		38,807,662	6,054,664	365,592
Cash and cash equivalents at the end of the year	12	136,663,976	38,807,662	6,054,664
Non–cash financing and investing activities	26(b)			

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the consolidated financial statements for the years ended 30 June 2021

Note 1 Summary of significant accounting policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial report, the consolidated entity incurred a net loss of $18,076,077 (30 June 2020: $20,028,526) and net operating cash outflows of $8,172,064 (30 June 2020: $5,593,517) for the year ended 30 June 2021. As at 30 June 2021 the consolidated entity has a cash balance of $136,663,976 (30 June 2020: $38,807,662) and net current assets of $138,671,009 (30 June 2020: $37,393,388).

The ability of the consolidated entity to continue as a going concern is principally dependent upon one or more of the following:

- the successful and profitable growth of the battery materials, battery consulting and battery technology businesses;
- the ability of the consolidated entity to meet its cashflow forecasts; and
- the ability of the consolidated entity to raise capital as and when necessary and/or secure prepayments from customers for product.

These conditions raise substantial doubt over the consolidated entity's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate as the consolidated entity has a strong history of being able to raise capital from debt and equity sources, raising $63million of additional capital in June 2020, $115 million in March 2021 and $16 million in May 2021. Since the end of the financial year, the consolidated entity has entered into an agreement, which is subject to shareholder approval, with Phillips 66, a global producer of petroleum needle coke, for them to subscribe for 77,962,578 ordinary shares, which will raise a further $203 million (refer to note 29). The directors are also pursuing a NASDAQ listing which will provide additional funds.

The Directors have considered the impact of Covid 19 and found that the pandemic has not had a significant effect on the consolidated entity's ability to continue as a going concern.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity be unable to continue as a going concern.

The financial statements were authorised for issue by the Directors on 14 September 2021. The Directors have the power to amend and reissue the financial statements.

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Note 1 Summary of significant accounting policies (continued)

a. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of NOVONIX Limited ('Company' or 'Parent Entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. NOVONIX Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

With limited exceptions, all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the consideration transferred of the acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the profit and loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the cash consideration is deferred, the amounts payable in the future are discounted to their present value, as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

b. Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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Note 1 Summary of significant accounting policies (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

c. Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales of Goods

Revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Consulting services

The consulting division provides battery cell design, implementation and support services under fixed-price and variable price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

OTHER INCOME

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Grant revenue

Grants from government bodies are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

d. Operating segments

Operating segments are presented using the ‘management approach’, where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (‘CODMs’). The CODMs is responsible for the allocation of resources to operating segments and assessing their performance.

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Note 1 Summary of significant accounting policies (continued)

e. Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

f. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the balance sheet.

g. Other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

h. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Costs are assigned to individual items of inventory on the basis of weighted average costs.

i. Exploration and evaluation assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

An impairment charge is recognised when the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

j. Loan notes

Loan notes are initially measured at fair value less transaction costs.

Amortised cost is calculated as the amount at which the loan note is measured at initial recognition less principal repayments, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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Note 1 Summary of significant accounting policies (continued)

The effective interest method is used to allocate interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments over the expected life of the financial instrument to the net carrying amount of the financial liability.

Non-derivative financial liabilities, other than financial guarantees, are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when then financial liability is derecognised.

k. Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	25 years
Plant and equipment	2 - 10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

l. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

m. Leases

The group leases a warehouse in Tennessee from which the Novonix Anode Materials business operates.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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Note 1 Summary of significant accounting policies (continued)

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by NOVONIX Limited, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The group does not revalue the right-of-use buildings held by the group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension options are included in property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The extension options held are exercisable only by the group and not by the lessor.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount

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- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

n. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, options or performance rights over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using various valuation methods including Black Scholes, Binomial and the Monte Carlo Simulation method that takes into account the exercise price, the term of the performance right, the impact of dilution, the share price at grant date and expect price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the performance right.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Share-based payment expenses are recognised over the period during which the employee provides the relevant services. This period may commence prior to the grant date. In this situation, the entity estimates the grant date fair value of the equity instruments for the purposes of recognising the services received during the period between service commencement date and grant date. Once the grant date has been established, the earlier estimate is revised so that the amount recognised for services received is ultimately based on the grant date fair value of the equity instruments.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

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Note 1 Summary of significant accounting policies (continued)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

o. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

p. Investments in Joint Venture

Interests in joint ventures are accounting for using the equity method, after initially being recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the joint venture. In addition, the Group's share of the profit or loss of the joint venture is included in the Group's profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the joint venture. Any discount on acquisition, whereby the Group's share of the net fair value of the joint venture exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture. When the joint venture subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

q. Impairment of Non-Financial Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the assets carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

r. Intangible Assets Other than Goodwill

Brand Name

Brand names are recognised at fair value on the date of acquisition. They have a finite life and are subsequently carried at cost less any accumulated amortisation and any impairment losses. Brand names are amortised over their useful life of 10 years.

Technology

Technology is recognised at fair value on the date of acquisition. It has a finite life and is subsequently carried at cost less any accumulated amortisation and any impairment losses. Technology is amortised over its useful life of 5 years.

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Note 1 Summary of significant accounting policies (continued)

s. Goodwill

Goodwill acquired on a business combination is initially measured at cost, being the excess of the consideration transferred for the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment, annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired (refer note 12).

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units that are expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Disposed goodwill in this circumstance is measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit retained.

t. Borrowing costs

Borrowing costs are recognised in the profit or loss in the period in which they are incurred.

u. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

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Note 1 Summary of significant accounting policies (continued)

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- Income and expenses are translated at the average exchange rates for the period; and
- Accumulated losses are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the balance sheet. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

v. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of NOVONIX Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

w. Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

x. New and Amended Accounting Policies Adopted by the Group

The Group has adopted all of the new, revised or amending accounting standards and interpretations issued by IFRS that are mandatory for the current reporting period.

Any new, revised or amending accounting standards or interpretations that are not yet mandatory have not been early adopted.

y. Reclassifications

Certain amounts in prior periods have been reclassified to conform to the current presentation.

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Note 1 Summary of significant accounting policies (continued)

z. Critical accounting estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group intend to commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Value of intangible assets relating to acquisitions

The Group has allocated portions of the cost of acquisitions to technology intangibles, valued using the relief from royalty method. These calculations require the use of assumptions including future revenue forecasts and a royalty rate. Technology is amortised over its useful life of 5 years.

Impairment of goodwill and identifiable intangible assets

The Group determines whether goodwill is impaired on an annual basis. This assessment requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated.

Share based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either a binomial or Monte Carlo option pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions, including share price volatility, interest rates and vesting periods would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

Other areas of critical accounting estimates and judgements

Other areas of critical accounting estimates and judgements include:

- Unused tax losses for which no deferred tax asset has been recognised (Refer to Note 7)
- The vesting dates of share options (Refer to Note 28)
- The accelerated expense on cancellation of share options and the loss on redemption of convertible loan notes (Refer to Note 10)

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Note 2 Parent entity financial information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with International Financial Reporting Standards.

	2021 $	2020 $
Balance sheet		
ASSETS		
Current assets		
Cash and cash equivalents	135,403,115	37,455,678
Trade and other receivables	132,838	23,480
Prepayments	2,462,643	136,297
Total current assets	137,998,596	37,615,455
Non-current assets		
Other receivables	27,897,817	10,139,051
Plant and equipment	—	1,068
Exploration and evaluation assets	3,329,950	3,210,798
Investments	17,748,704	17,748,704
Other assets	8,450	8,450
Total non-current assets	48,984,921	31,108,071
Total assets	186,983,517	68,723,526
LIABILITIES		
Current liabilities		
Payables	2,587,715	2,191,233
Total current liabilities	2,587,715	2,191,233
Total liabilities	2,587,715	2,191,233
Net assets	184,395,802	66,532,293
EQUITY		
Contributed equity	233,196,507	99,851,510
Reserves	33,733,407	29,037,721
Accumulated losses	(82,534,112)	(62,356,938)
Total equity	184,395,802	66,532,293
Statement of Profit or Loss and Other Comprehensive Income		
Total loss and total comprehensive loss	(20,177,174)	(19,478,284)

Guarantees

NOVONIX Limited has not entered into any guarantees, in the current or previous reporting period, in relation to the debts of its subsidiaries.

Contingent liabilities

At 30 June 2021, NOVONIX Limited did not have any contingent liabilities (2020: Nil).

Contractual commitments

At 30 June 2021, NOVONIX Limited did not have any contractual commitments (2020: Nil).

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Note 3 Revenue

(a) Revenue from contracts with customers

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

2021	Graphite Mining and exploration $	Battery Technology $	Battery Materials $	Total $
Hardware sales	—	1,405,086	—	1,405,086
Consulting sales	—	3,822,261	—	3,822,261
Revenue from external customers	—	5,227,347	—	5,227,347
Timing of revenue recognition				
At a point in time	—	1,405,086	—	1,405,086
Over time	—	3,822,261	—	3,822,261
	—	5,227,347	—	5,227,347

2020	Graphite Mining and exploration $	Battery Technology $	Battery Materials $	Total $
Hardware sales	—	2,113,416	—	2,113,416
Consulting sales	—	2,140,019	—	2,140,019
Revenue from external customers	—	4,253,435	—	4,253,435
Timing of revenue recognition				
At a point in time	—	2,113,416	—	2,113,416
Over time	—	2,140,019	—	2,140,019
	—	4,253,435	—	4,253,435

2019	Graphite Mining and exploration $	Battery Technology $	Battery Materials $	Total $
Hardware sales	—	1,461,266	—	1,461,266
Consulting sales	—	355,783	—	355,783
Revenue from external customers	—	1,817,049	—	1,817,049
Timing of revenue recognition				
At a point in time	—	1,461,266	—	1,461,266
Over time	—	355,783	—	355,783
	—	1,817,049	—	1,817,049

Revenues from external customers come from the sale of battery testing hardware equipment and the provision of battery testing and development consulting services.

(i) Assets and liabilities related to contracts with customers

The group has recognised the following assets and liabilities related to contracts with customers:

	Notes	2021 $	2020 $
Contract liabilities – Hardware sales		310,102	98,783
Total current contract liabilities		310,102	98,783

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Note 3 Revenue (continued)

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

	2021 $	2020 $	2019 $
Revenue recognised that was included in the contract liability balance at the beginning of the period			
Hardware sales	98,783	580,845	—

Note 4 Other income

	2021 $	2020 $	2019 $
Interest received from unrelated parties	35,066	723	4,533
COVID-19 Government stimulus	115,501	59,000	—
Grant funding	818,410	785,154	329,573
Fair value gain on borrowings	—	—	114,106
Gain on revaluation of equity accounted investment	—	—	2,576,131
Other	15,675	—	341
	984,652	844,877	3,024,684

Note 5 Loss for the year

Loss before income tax from continuing operations includes the following specific expenses:

	Consolidated		
	2021 $	2020 $	2019 $
Share based payments expense^			
Performance rights granted	2,952,676	78,362	39,025
Options granted	2,995,856	6,291,510	6,634,485
Options cancelled	—	1,189,081	—
Total share based compensation expense	5,948,532	7,558,953	6,673,510

^ Refer to note 28 for further information regarding share-based payments.

Borrowing costs			
Interest accrued on loan notes	—	3,062,598	1,373,581
Loss on redemption of loan notes	—	1,765,353	—
Unwinding of fair value gain	40,547	48,377	30,113
Interest accrued on borrowings	188,847	454,633	161,338
Total borrowing costs	229,394	5,330,961	1,565,032
Impairment losses			
Fixed assets written off[1]	2,764,940	—	—
Exploration and evaluation assets[2]	—	—	10,667,897
Goodwill[3]	—	—	4,812,127
Identified intangibles – Brand Name[3]	—	—	374,126
Identified intangibles – Technology[3]	—	—	64,775
Total impairment losses	2,764,940	—	15,918,925

[1] Impairments recognised during the period relate to the redundant furnace technology which is being replaced with new proprietary furnace technology under the Group's strategic alliance with US-based Harper International Corporation. This amount represents the net book value of fixed assets written off.

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Note 5 Loss for the year (continued)

[2] In FY2019, the Company recognised an impairment loss of $10,667,897 relating to the Mt Dromedary graphite mining project. The Directors determined that it was appropriate for the carrying value of the Mt Dromedary asset to be written down to the Group's assessment of recoverable amount.

[3] In FY2019, the Company recognised an impairment loss of $5,251,028 relating to the goodwill and intangibles of BTS. At the time it was acquired in FY2017, BTS was primarily a producer of battery testing equipment. Consulting services to the energy storage industry began as an adjunct service supporting the equipment supply business operation. The consulting services operation which yields much higher margins, has now become a business line on its own and grew rapidly over the course of the FY2019 financial year and, in particular, over the six months ended 30 June 2019. In the context of this rapid growth and the forward pipeline of consulting work, the consulting services business has become a core operation and is considered to be BTS's strongest growth opportunity. Given the slowing in the rate of growth of sales of testing equipment and the increased relative importance of consulting services, the directors took the opportunity to write down the value of the goodwill and identifiable intangible assets relating to the testing equipment supply business in FY2019.

Note 6 Income tax expense

This note provides an analysis of the Group's income tax expense, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

	Consolidated		
	2021 $	2020 $	2019 $
(a) Numerical reconciliation of income tax expense to prima facie tax payable			
Profit/(loss) before income tax expense	(18,076,077)	(20,028,526)	(26,505,567)
Tax at the Australian tax rate of 26% (2020: 27.5%)	(4,699,780)	(5,507,845)	(7,289,031)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Impairment of goodwill	—	—	1,323,335
Share based payments	1,546,618	2,078,713	1,835,215
Gain on acquisition of Novonix Anode Materials	—	—	(540,987)
Share of results of joint venture	—	—	206,795
Borrowing costs	10,845	855,518	377,735
Other non-deductible amounts	56,291	—	—
Other non-assessable amounts	(39,005)	(156,386)	(24,234)
Difference in overseas tax rate	(46,156)	385,615	(90,888)
Adjustments for current tax of prior periods	(92,985)	—	(93,052)
Adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognised	3,264,172	2,344,385	3,911,457
Income tax expense / (benefit)	—	—	(383,655)
(b) Tax losses			
Unused tax losses for which no deferred tax asset has been recognised	39,772,597	23,275,774	15,128,752
Potential tax benefit	9,943,149	6,304,468	4,122,864
(c) Tax expense (income) recognised directly in equity			
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:			
Deferred tax: Share issue costs	—	—	—

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Note 6 Income tax expense (continued)

	Consolidated	
	2021 $	2020 $
(d) Deferred tax assets		
The balance comprises temporary differences attributable to:		
Tax losses	9,943,149	6,304,468
Exploration and evaluation assets	930,009	1,137,319
Business capital costs	31,061	8,982
Right of use asset	1,543,399	899,256
Unrealised exchange loss on borrowings	261,449	—
Accrued expenses	317,498	38,665
Other	402,368	—
Total deferred tax assets	13,428,933	8,388,690
Set-off of deferred tax liabilities pursuant to set-off provisions	(1,357,943)	(512,788)
Deferred tax assets not recognised	(12,070,990)	(7,875,902)
Net deferred tax assets	—	—
(e) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Intangible assets	164,713	262,779
Property, plant and equipment	1,193,230	224,874
Prepayments	—	401
Unrealised exchange loss on borrowings	—	24,734
Total deferred tax liabilities	1,357,943	512,788
Set-off of deferred tax liabilities pursuant to set-off provisions	(1,357,943)	(512,788)
Net deferred tax liabilities	—	—

Unused losses which have not been recognised as an asset, will only be obtained if:

(i) the group derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;

(ii) the group continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the group in realising the losses.

Offsetting within tax consolidated entity

NOVONIX Limited and its wholly-owned Australian subsidiaries have applied the tax consolidation legislation which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

Note 7 Key Management Personnel Compensation

The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:

	Consolidated		
	2021 $	2020 $	2019 $
Short-term employee benefits	1,934,648	1,868,521	1,221,114
Post-employment benefits	29,297	46,218	45,641
Termination benefits	75,000	—	—
Share-based compensation	4,575,735	6,878,627	6,145,904
Total KMP compensation	6,614,680	8,793,366	7,412,659

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Note 7 Key Management Personnel Compensation (continued)

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chairman as well as all salary, paid leave benefits and fringe benefits paid to Executive Directors.

Post-employment benefits

These amounts are the current-year's superannuation contributions made during the year.

Share-based compensation

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options and performance rights on grant date.

Note 8 Auditor's Remuneration

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the Group:

	Consolidated		
	2021 $	2020 $	2019 $
Remuneration of the auditor for:			
Auditing or reviewing the financial report	190,329	175,855	148,200
	190,329	175,855	148,200
Other assurance services[1]	646,300	—	—
Total services provided by PwC	836,629	175,855	148,200

[1] Relates to services performed in respect of the US IPO process

Note 9 Earnings per share

	2021 Cents	2020 Cents	2019 Cents
(a) Basic earnings per share			
Total basic earnings per share attributable to the ordinary equity holders of the Company	(4.9 cents)	(14.7 cents)	(21.2 cents)
(b) Diluted earnings per share			
Total diluted earnings per share attributable to the ordinary equity holders of the Company	(4.9 cents)	(14.7 cents)	(21.2 cents)

(c) Reconciliations of earnings used in calculating earnings per share

	2021 $	2020 $	2019 $
Basic earnings per share			
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	(18,076,077)	(20,028,526)	(26,121,912)
Diluted earnings per share			
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	(18,076,077)	(20,028,526)	(26,121,912)

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Note 9 Earnings per share (continued)

(d) Weighted average number of shares used as the denominator

	2021 Number	2020 Number	2019 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	366,289,024	135,918,095	123,219,872

(e) Information concerning the classification of securities

Options and rights

Options and rights on issue during the year are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2021. These options and rights could potentially dilute basic earnings per share in the future. Details relating to options and rights are set out in note 28.

Note 10 Capital raising

In the prior financial year the Company completed a $63 million capital raising via an institutional placement, an accelerated non-renounceable rights issue and a strategic placement (''capital raising'').

The capital raising simplified the NOVONIX capital structure through the redemption of Convertible Notes and repayment of short-term loans, along with the cancellation of 40.5 million options held by Directors, employees and convertible note holders.

Funds raised are providing capex and working capital to fulfil an initial SAMSUNG supply contract, facilitate development and commercialisation of the DPMG technology for cathode and other million-mile battery innovations, offer costs and provide general working capital.

The components of the transaction are set out below:

a) Institutional placement

On 5 June 2020, 19,495,469 fully paid ordinary shares were issued to institutional investors at $0.29 per share, raising $5,653,686.

b) Rights issue

An accelerated 1 for 1 rights issue was completed on 25 June 2020. Under the rights issue, 130,721,435 fully paid ordinary shares were issued at $0.29 per share. The rights issue raised a total of $37,909,216 which consisted of $34,017,928 cash and $3,891,288 settlement of debt (see c) and d) below).

c) Repayment of Director loans

During the prior financial year, the Company's directors entered into short term loan agreements collectively for $3,148,960. The loans were unsecured and accrued interest at 8% pa from the date of drawdown, calculated on a daily basis. These loans were used by Directors to fund their entitlements under the rights issue, with remaining balances being repaid to Directors from the proceeds of the rights issue as follows:

Director	Loan funds and interest accrued $	Loan settled though Rights issue entitlement taken up $	Loan funds repaid from proceeds of the right issue $
Anthony Bellas	263,377	263,377	—
Philip St Baker	1,799,682	1,799,682	—
Greg Baynton	107,117	107,117	—
Robert Cooper	101,973	75,059	26,914
Andrew Liveris	954,831	599,255	355,576
	3,266,980*	2,844,490	382,490

* includes $78,020 of interest accrued on short-term loans

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Note 10 Capital raising (continued)

d) Convertible loan notes

Prior to the capital raise a total of 11,416,667 loan notes (excluding loan notes held by the St Baker Energy Innovation Fund) were on issue with a face value of $6,400,000. These loan notes accrued interest at a coupon rate of 10% pa.

These convertible loan notes were repaid as follows:

Loan notes (Number)	Face Value $	Interest accrued $	Fair value of loan notes at settlement date $	Carrying value of loan notes at settlement date $	Loss on settlement $	Amount settled through conversion to equity as part of rights issue $	Amount settled in cash out of proceeds from the rights issue $
2,250,000	900,000	117,123	1,017,123	891,018	126,105	182,701	834,422
9,166,667	5,500,000	1,038,219	6,538,219	6,471,374	66,845	864,097	5,674,122
11,416,667	6,400,000	1,155,342	7,555,342	7,362,392	192,950	1,046,798*	6,508,544

* Repaid through the issue of 3,609,650 shares at $0.29 per share.

e) Strategic Placement to St Baker Energy Innovation Fund

At a General Meeting of Shareholders held on 30 June 2020, Shareholders approved the issue of 67,085,100 fully paid ordinary shares to the St Baker Energy Innovation Fund at an issue price of $0.29 per share raising $19,454,679. The consideration for the shares received consisted of cash and the settlement of both convertible loan notes and short-term loans owing. Details of the Strategic Placement are set out in the table below:

	Face value/ Principal of loan notes and short-term loan $	Interest accrued $	Placement proceeds $	Total $	Shares issued (Number)
Loan notes redeemed.	10,000,000	1,187,397	—	11,187,397	38,577,232
Short-term loan repaid.	3,400,000	131,575	—	3,531,575	12,177,845
Placement proceeds	—	—	4,735,707	4,735,707	16,330,023
Total	13,400,000	1,318,972	4,735,707	19,454,679	67,085,100

Prior to the capital raise a total of 25,000,000 loan notes were on issue to the St Baker Energy Innovation Fund with a face value of $10,000,000. These loan notes accrued interest at a coupon rate of 10% pa.

These convertible loan notes were repaid as follows:

Loan notes (Number)	Face Value $	Interest accrued $	Fair value of loan notes at settlement date $	Carrying value of loan notes at settlement date $	Loss on settlement $	Amount settled through conversion to equity as part of rights issue $	Amount settled in cash out of proceeds from the rights issue $
25,000,000	10,000,000	1,187,397	11,187,397	9,614,996	1,572,401	11,187,397*	—

* Repaid through the issue of 38,577,232 shares at $0.29 per share.

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Note 10 Capital raising (continued)

f) Cancellation of options

As part of the capital raise, the Group obtained agreement from holders of a total of 40,500,000 options (approximately half of the options on issue at the time of the capital raise) to cancel the options for no consideration. The cancellation of the options has resulted in an acceleration of the share-based payment expense, with the unexpensed portion of the share option fair values being expensed in full at the date of cancellation. Details of the options cancelled are below:

	Number of options cancelled	Expense accelerated $
Directors	5,750,000	578,135
KMP	7,500,000	610,946
Loan note holders*	27,250,000	—
Total	40,500,000	1,189,081

* Loan note holders are not employees of the company and therefore there is no associated share based payment expense, hence no expense acceleration.

Note 11 Impairment testing of goodwill

For the purposes of impairment testing, the cash generating unit has been defined as the business to which the goodwill relates where individual cash flows can be ascertained for the purposes of discounting future cash flows.

	Consolidated	
The carrying amount of goodwill allocated to the cash generating unit	2021 $	2020 $
Novonix Anode Materials LLC	15,950,624	17,411,685
Total carrying amount of goodwill	15,950,624	17,411,685

The recoverable amount of the Novonix Anode Materials LLC cash generating unit (''Novonix Anode Materials CGU'') has been determined on a 'Fair Value Less Costs to Sell' (''FVLCS'') basis.

To determine the recoverable amount, FVLCS was calculated based on the capital raising outlined in Note 23 (h) given that the capital raising was directly associated with the planned future expansion of the Novonix Anode Materials CGU.

The recoverable amount of the Novonix Anode Materials CGU was deemed to be in excess of the carrying value of the CGU, and therefore no impairment has been recognised at 30 June 2021.

Note 12 Cash and cash equivalents

	Consolidated	
	2021 $	2020 $
Cash at bank	136,663,976	38,807,662
	136,663,976	38,807,662

Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2021 $	2020 $
Balances as above	136,663,976	38,807,662
Bank overdrafts	—	—
Balance per statement of cash flows	136,663,976	38,807,662

Note 13 Trade and other receivables

	Consolidated	
	2021 $	2020 $
Trade debtors	1,533,963	952,881
Other receivables	509,000	274,911
Total current trade and other receivables	2,042,963	1,227,792

Credit risk

The Group has no significant concentration of credit risk with respect to any counterparties or on a geographical basis. Amounts are considered as ''past due'' when the debt has not been settled, in line with the terms and conditions agreed between the Group and the customer to the transaction.

The Group assess impairment on trade and other receivables using the simplified approach of the expected credit loss (ECL) model under AASB 9. Due to the minimal history of bad debt write-offs and strong credit approval processes, the Group have determined that the incorporation of the ECL model will not have a material effect on impairment as at 30 June 2021.

The balance of receivables that remain within initial trade terms are considered to be of high credit quality.

Note 14 Prepayments

	Consolidated	
	2021 $	2020 $
Deferred share issuance costs	2,175,347	—
Prepaid general and administrative expenses	362,860	152,434
	2,538,207	152,434

Deferred share issuance costs, which consist primarily of direct and incremental legal and advisory fees related to the Company's proposed NASDAQ listing, are capitalised in prepayments on the consolidated balance sheet as at 30 June 2021. The deferred share issuance costs will be offset against the IPO proceeds upon the consummation of an IPO. In the event the planned IPO is terminated or a decision is made to not raise any proceeds from the IPO, the deferred share issuance costs will be expensed.

Note 15 Inventory

	Consolidated	
	2021 $	2020 $
Raw materials	1,162,142	759,693
Components and assemblies	1,618,231	584,090
Finished goods – at cost	—	23,202
	2,780,373	1,366,985

Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 30 June 2021 amounts to $969,774 (2020: $1,245,187). These were included in cost of goods sold (exclusive of depreciation presented separately) in the consolidated statement of profit or loss and other comprehensive income.

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Note 16 Property, plant and equipment

	Land $	Buildings $	Leasehold improvements $	Plant and equipment $	Construction work in progress $	Total $
At 30 June 2019						
Cost	380,251	1,762,019	—	4,437,493	—	6,579,763
Accumulated depreciation	—	(87,299)	—	(507,947)	—	(595,246)
Net book amount	380,251	1,674,720	—	3,929,546	—	5,984,517
Year ended 30 June 2020						
Opening net book amount	380,251	1,674,720	—	3,929,546	—	5,984,517
Additions	—	93,127	195,082	4,451,587	—	4,739,796
Assets written off	—	—	—	(210,773)	—	(210,773)
Depreciation charge	—	(72,028)	(31,320)	(829,440)	—	(932,788)
Exchange differences	(7,256)	(29,018)	796	75,523	—	40,045
Closing net book amount	372,995	1,666,801	164,558	7,416,443	—	9,620,797
At 30 June 2020						
Cost	372,995	1,821,526	195,082	8,579,868	—	10,969,471
Accumulated depreciation	—	(154,725)	(30,524)	(1,163,425)	—	(1,348,674)
Net book amount	372,995	1,666,801	164,558	7,416,443	—	9,620,797

	Land $	Buildings $	Leasehold improvements $	Plant and equipment $	Construction work in progress $	Total $
Year ended 30 June 2021						
Opening net book amount	372,995	1,666,801	164,558	7,416,443	—	9,620,797
Additions	666,920	4,358,515	482,637	2,982,443	17,754,185	26,244,700
Disposals	(39,285)	(39,285)				
Assets written off	—	—	—	(2,764,940)	—	(2,764,940)
Depreciation charge	—	(67,897)	(110,681)	(996,462)	—	(1,175,040)
Exchange differences	13,960	100,126	(9,103)	(411,876)	(894)	(307,787)
Closing net book amount	1,053,875	6,057,545	527,411	6,186,323	17,753,291	31,578,445
At 30 June 2021						
Cost	1,053,875	6,283,383	665,540	8,004,580	17,753,291	33,760,669
Accumulated depreciation	—	(225,838)	(138,129)	(1,818,257)	—	(2,182,224)
Net book amount	1,053,875	6,057,545	527,411	6,186,323	17,753,291	31,578,445

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Note 17 Exploration and evaluation assets

	Consolidated	
	2021 $	2020 $
Exploration and evaluation assets – at cost	3,108,073	2,988,921
The capitalised exploration and evaluation assets carried forward above have been determined as follows:		
Balance at the beginning of the year	2,988,921	2,838,749
Expenditure incurred during the year	119,152	150,172
Balance at the end of the year	3,108,073	2,988,921

The future development of the Mt Dromedary mine will not occur in the short to medium term given the tonnages of natural graphite required by the Novonix Anode Materials business are unlikely to be sufficient to warrant the development of the mine in that timeframe. As well, a significant portion of graphite used by Novonix Anode Materials will be synthetic graphite, and the natural graphite required at this time can be more cost effectively sourced from other natural graphite producers.

The Mt Dromedary asset however remains a strategic asset for the Group and the tenements remain current and in good standing.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2021, the facts and circumstances do not suggest that the carrying amount may exceed its recoverable amount.

Note 18 Intangible assets

	Consolidated	
	2021 $	2020 $
Goodwill	15,950,624	17,411,685
Technology	631,085	955,560
	16,581,709	18,367,245

	Goodwill $	**Technology $**	**Total $**
Balance at the beginning of the year	17,411,685	955,560	18,367,245
Exchange differences	(1,461,061)	(78,258)	(1,539,319)
Amortisation	—	(246,217)	(246,217)
Balance at the end of the year	15,950,624	631,085	16,581,709

Intangible assets, other than goodwill have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the statement of profit or loss and other comprehensive income. Goodwill has an indefinite useful life.

Note 19 Trade and other payables

	Consolidated	
	2021 $	2020 $
Unsecured liabilities:		
Trade payables	1,823,898	847,724
Sundry payables and accrued expenses	2,532,658	2,646,503
	4,356,556	3,494,227

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Note 20 Contract liabilities

	Consolidated	
	2021 $	2020 $
Contract liabilities – Hardware sale contracts	310,102	98,783
	310,102	98,783

Note 21 Leases

This note provides information for leases where the group is the lessee.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	30 June 2021 $	30 June 2020 $
Right-of-use assets - Buildings	7,406,943	2,853,427
Lease liabilities		
Current	410,792	141,124
Non-current	7,120,396	2,778,979
	7,531,188	2,920,103

Additions to the right-of-use assets during the 2021 financial year were $5,084,858 (2020: $nil).

During the financial year the Group entered into an amended lease for the facility in Chattanooga to include a further 80,000 square feet and bring the total area of the warehouse facility under lease to 120,000 square feet. This increase in space has resulted in an increase in base rent which has been accounted for as an addition to the right-of-use asset. All other terms of the lease remain the same.

(i) Amounts recognised in the statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2021 $	2020 $
Depreciation of right-of-use assets - Buildings	197,680	210,381
Interest expense	123,763	112,303

The total cash outflow for leases in the financial year was $190,426 (2020: $254,271).

Note 22 Borrowings

	2021			2020		
	Current $	Non-Current $	Total $	Current $	Non-Current $	Total $
Secured						
Bank loans (i)	110,752	5,297,180	5,407,932	56,704	1,214,406	1,271,110
Total secured borrowings	110,752	5,297,180	5,407,932	56,704	1,214,406	1,271,110
Unsecured						
Other loans (iii)	166,308	689,385	855,693	218,213	722,689	940,902
Total unsecured borrowings	166,308	689,385	855,693	218,213	722,689	940,902
Total borrowings	277,060	5,986,565	6,263,625	274,917	1,937,095	2,212,012

Note 22 Borrowings (continued)

(i) Secured liabilities and assets pledged as security

(a) In December 2017, the group entered into a loan facility to purchase commercial land and buildings in Nova Scotia from which the Battery Technology Solutions business operates. The initial amount loaned under the facility was CAD $1,330,000.

On 5 February 2021, the group extended the loan facility and the total available amount now available under the facility is CAD $2,680,000. At 30 June 2021 the facility had been drawn down to CAD$2,047,697, leaving a remaining undrawn amount of $623,303. The total liability at year end is CAD $1,866,103.

The facility is repayable in monthly instalments, commencing 15 December 2017 and ending 15 August 2044.

The Group's freehold land and buildings are pledged as collateral against the bank loan.

The carrying amounts of non-financial assets pledged as collateral for current and non-current borrowings is $3,104,819 (2020: $2,039,796).

(b) On 28 May 2021, the Group purchased commercial land and buildings in Nova Scotia, Canada for CAD$3,550,000 from which the Cathode business will operate. The Group entered into a loan facility to purchase the land and buildings. The total available amount under the facility is CAD $4,375,000 and it has been drawn down to CAD$3,169,216 at the date of this report. The balance of the facility will be used to fund renovations to the building.

The full facility is repayable in monthly instalments, commencing 31 May 2022 and ending 30 April 2047. The Group's land and buildings have been pledged as collateral for the bank loan.

The carrying amounts of non-financial assets pledged as collateral for current and non-current borrowings is $4,006,926.

(ii) Other loans

ACOA Loans

In December 2017, the group entered into a contribution agreement with Atlantic Canada Opportunities Agency (ACOA), for CAD$500,000. As at 30 June 2021, CAD$500,000 of the facility has been drawn down. The funding was to assist with expanding the market to reach new customers through marketing and product improvements. The facility is repayable in monthly instalments commencing September 2019 and ending May 2027.

In October 2018, the group entered into another contribution agreement with Atlantic Canada Opportunities Agency (ACOA), for CAD$500,000. As at 30 June 2021, CAD$500,000 of the facility has been drawn down. The funding was to assist in establishing a battery cell manufacturing facility. The facility is repayable in monthly instalments commencing April 2020 and ending December 2026.

(iii) Fair value

For all borrowings, other than the ACOA loan noted at (ii) above, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

The ACOA loans are interest free. The initial fair value of the ACOA loans were determined using a market interest rate for equivalent borrowings at the issue date. This resulted in a day one gain of $100,152 in FY2018 (December 2017 loan) and a day 1 gain of $114,106 in FY2019 (October 2018 loan).

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Note 23 Contributed equity

	2021 Shares	2020 Shares	2019 Shares	2021 $	2020 $	2019 $
(a) Share capital						
Ordinary shares Fully paid . .	404,601,384	348,206,772	128,137,680	233,196,507	99,851,510	38,163,405

(b) Ordinary share capital

Date	Details	Note	Number of Shares	Issue Price	$
1 July 2018	Balance		123,137,680		38,163,405
24 June 2019	Exercise of options	(l)	5,000,000	—	—
30 June 2019	Balance		128,137,680		38,163,405
17 January 2020 . . .	Share purchase plan	(c)	2,485,715	$ 0.51	1,267,715
17 January 2020 . . .	Placement to sophisticated investor	(d)	98,040	$ 0.51	50,000
15 June 2020	Exercise of options	(e)	100,000	$0.785	78,500
15 June 2020	Exercise of options	(e)	83,333	$ 0.50	41,667
5 June 2020	Placement to institutional investors	(k)	19,495,469	$ 0.29	5,653,686
5-25 June 2020	Rights issue entitlement offer	(k)	130,721,435	$ 0.29	37,909,216
30 June 2020	Placement to SBEIF	(k)	67,085,100	$ 0.29	19,454,679
	Share issue costs				(2,767,358)
30 June 2020	Balance		348,206,772		99,851,510
10 July 2020	Exercise of options	(e)	250,000	$ 0.80	200,000
23 September 2020 .	Settlement of limited recourse loan	(f)	—		1,500,000
24 September 2020 .	Exercise of options	(e)	500,000	$ 0.90	450,000
24 September 2020 .	Exercise of options	(e)	2,500,000	$ 0.66	1,650,000
28 September 2020 .	Exercise of performance rights	(g)	158,865	—	—
3 March 2021	Placement to institutional investors	(h)	39,700,000	$ 2.90	115,130,000
16 March 2021	Exercise of performance rights	(g)	3,400,000	—	—
16 March 2021	Exercise of options	(e)	1,500,000	$ 0.74	1,110,000
16 March 2021	Exercise of options	(e)	30,000	$ 0.90	27,000
16 March 2021	Exercise of options	(e)	33,333	$ 0.50	16,667
11 May 2021	Placement to directors	(i)	5,672,414	$ 2.90	16,450,001
24 May 2021	Exercise of options	(e)	2,500,000	$ 0.66	1,650,000
3 June 2021	Exercise of options	(e)	150,000	$ 0.90	135,000
	Share issue costs	(j)			(4,973,671)
30 June 2021	Balance		404,601,384		233,196,507

(c) Share Purchase Plan

In January 2020 the Company undertook a Share Purchase Plan. The issue price under the Share Purchase Plan was $0.51 per share and provided an opportunity to existing shareholders to subscribe for up to $30,000 worth of new shares.

(d) Placement to sophisticated investor

In January 2020 the Company made a placement of 98,040 shares at $0.51 to a sophisticated investor.

(e) Exercise of options

On 15 June 2020 183,333 options were exercised by employees (who are not KMP). 100,000 were exercisable at $0.785 and 83,333 were exercisable at $0.50.

On 10 July 2020 250,000 options were exercised by a Director, Admiral Robert Natter, at $0.80 per share.

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Note 23 Contributed equity (continued)

On 24 September 2020 500,000 options were exercised by a Director, Admiral Robert Natter, at $0.90 per share and 2,500,000 options were exercised by a Director, Andrew Liveris, at $0.66 per share.

On 16 March 2021 employees of the Group exercised 1,500,000 options at $0.74, 30,000 options at $0.90 and 33,333 options at $0.50.

On 24 May 2021 2,500,000 options were exercised by a Director, Andrew Liveris, at $0.66 per share.

On 3 June 2021 employees of the Group exercised 150,000 options at $0.90.

(f) Settlement of limited recourse loan

On 23 September 2020, Philip St Baker, as part of his separation arrangements with the Company, settled the $1,500,000 limited recourse loan entered into in 2019 for the purpose of funding the exercise of 5,000,000 options. The loan was settled through:

i. the relinquishing of 736,968 vested performance rights, which were convertible on a 1:1 basis to ordinary shares, with a market value of $1,252,846; and

ii. outstanding net employee entitlements amounting to $247,154.

The relinquishment of the vested performance rights has been recognised within the share-based payment reserve.

(g) Exercise of performance rights

On 28 September 2020, 158,865 ordinary shares were issued to an entity controlled by Philip St Baker, on the exercise of 158,865 vested performance rights.

On 16 March 2021, 3,400,000 ordinary shares were issued to Key Management Personnel and other employees on the exercise of 3,400,000 vested performance rights.

(h) Institutional placement

On 3 March 2021 the Company issued 39,700,000 ordinary fully paid shares to institutional investors at $2.90 per share.

(i) Director placement

On 11 May 2021 5,672,414 ordinary shares were issued to directors or their nominees raising $16.45 million. 4,137,931 of these ordinary shares were issued to Trevor St Baker's nominees at $2.90 per share, 1,034,483 of these ordinary shares were issued to Andrew Liveris' nominees at $2.90 per share, 431,034 of these ordinary shares were issued to Robert Natter at $2.90 per share and 68,966 of these ordinary shares were issued to Robert Cooper at $2.90 per share.

(j) Share issue expenses

During the year ended 30 June 2021 the Company had cash outflows for share issue expenses of $7,908,866, of which $4,973,671 relates to the current period, $1,458,798 relates to the capital raising completed in June 2020 and the balance relates to deferred share issuance costs.

(k) Capital raising transaction

In June 2020 the Company completed a $63 million capital raising via an institutional placement, an accelerated non-renounceable rights issue and a strategic placement. Refer to Note 11.

(l) Philip St Baker exercise of options

On 24 June 2019, Philip St Baker exercised 5,000,000 options at an exercise price of $0.30 each. The Company provided a loan of $1,500,000 to Mr St Baker for the purpose of funding the exercise of 5,000,000 options (refer note 28). The loan was limited in recourse over the shares issued on exercise of the options, and the Company placed a holding lock over the shares to secure repayment. These shares were treated as treasury shares, and the limited recourse loan was accounted for as a modification to a share-based payment, by way of extension of the expiry date of the options.

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Note 23 Contributed equity (continued)

(m) Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group includes equity attributable to equity holders, comprising of issued capital, reserves and accumulated losses. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the company.

The Group monitors capital on the basis of cash flow requirements for operational, and exploration and evaluation expenditure. The Group will continue to use capital market issues to satisfy anticipated funding requirements.

The Group has no externally imposed capital requirements. The Group's strategy for capital risk management is unchanged from prior years.

Note 24 Reserves

	Consolidated		
	2021 $	2020 $	2019 $
Share-based payment reserve	27,513,594	22,817,908	15,258,956
Foreign currency translation reserve	(600,850)	1,500,247	950,004
Convertible loan note reserve	6,219,812	6,219,812	5,229,071
	33,132,556	30,537,967	21,438,031

(a) Share-based payment reserve

	Consolidated		
	2021 $	2020 $	2019 $
Share-based payment reserve	27,513,594	22,817,908	15,258,956
Movements:			
Balance 1 July 2020	22,817,908	15,258,956	8,585,446
Equity settled options cancelled	—	1,189,081	—
Settlement of limited recourse loan	(1,252,846)	—	—
Equity settled share-based payments	5,948,532	6,369,871	6,673,510
Balance 30 June 2021	27,513,594	22,817,908	15,258,956

The share-based payment reserve records items recognised as expenses on valuation of director, employee and contractor options and performance rights.

(b) Foreign currency translation reserve

	Consolidated		
	2021 $	2020 $	2019 $
Foreign currency translation reserve	(600,850)	1,504,430	950,004
Movements:			
Balance 1 July 2020	1,500,247	950,004	140,608
Exchange differences on translation of foreign operations	(2,101,097)	550,243	809,396
Balance 30 June 2021	(600,850)	1,500,247	950,004

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

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Note 24 Reserves (continued)

(c) Convertible loan note reserve	Consolidated		
	2021 $	2020 $	2019 $
Convertible loan note reserve	6,219,812	6,219,812	5,229,071
Movements:			
Balance 1 July 2020	6,219,812	5,229,071	2,426,120
Equity component of loan notes issued during the year	—	990,741	2,817,316
Loan note issue costs	—	—	(14,365)
Balance 30 June 2021	6,219,812	6,219,812	5,229,071

Convertible loan notes are compound financial instruments.

The present value of the liability component of the loan notes issued in August 2019, at initial recognition, was $3,009,259. The balance of $990,741 was recognised in the convertible note reserve in prior period. In discounting the loan notes to present value to determine the equity proportion of the compound financial instrument, NOVONIX adopted an effective interest rate of 24.25% pa.

The present value of the liability component of the loan notes issued in March 2019, at initial recognition, was $5,170,660. The balance of $1,702,340 was recognised in the convertible note reserve. In discounting the loan notes to present value to determine the equity proportion of the compound financial instrument, NOVONIX adopted an effective interest rate of 24.5% pa.

The present value of the liability component of the loan notes issued in August 2018, at initial recognition, was $4,361,289. The balance of $1,100,611 was recognised in the convertible note reserve. In discounting the loan notes to present value to determine the equity proportion of the compound financial instrument, NOVONIX adopted an effective interest rate of 25.6% pa.

Note 25 Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on an operational basis. Operating segments are determined on the basis of financial information reported to the Board.

The board has identified three operating segments being Graphite Exploration and Mining, Battery Technology and Battery Materials. The Battery Materials segment develops and manufactures battery anode materials and the Battery Technology segment develops battery cell testing equipment, performs consulting services and carried out research and development in battery development.

Basis of accounting for purposes of reporting by operating segments

a. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

b. Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

c. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

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Note 25 Operating segments (continued)

d. Unallocated items

The following items for revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest income
- Prepayments for deferred issuance costs
- Corporate administrative and other expenses
- Income tax expense
- Corporate share-based payment expenses
- Corporate marketing and project development expenses
- Corporate cash
- Security deposits
- Corporate trade and other payables
- Corporate trade and other receivables

e. Segment information

Segment performance

2021	Graphite Exploration and Mining $	Battery Technology $	Battery Materials $	Unallocated $	Total $
Segment revenue	—	5,227,347	—	—	5,227,347
Other income	—	798,882	69,204	81,500	949,586
Interest income	—	—	—	35,066	35,066
Total income	—	6,026,229	69,204	116,566	6,211,999
Segment net profit / (loss) from continuing operations before tax	(46,424)	(63,661)	(11,968,654)	(5,997,338)	(18,076,077)

2020	Graphite Exploration and Mining $	Battery Technology $	Battery Materials $	Unallocated $	Total $
Segment revenue	—	4,253,435	—	—	4,253,435
Other income	—	785,154	—	59,000	844,154
Interest income	—	—	—	723	723
Total income	—	5,038,589	—	59,723	5,098,312
Segment net profit / (loss) from continuing operations before tax	—	(853,084)	(7,426,978)	(11,748,464)	(20,028,526)

2019	Graphite Exploration and Mining $	Battery Technology $	Battery Materials $	Unallocated $	Total $
Segment revenue	—	1,817,049	—	—	1,817,049
Other income	—	443,679	2,576,131	341	3,020,151
Interest income	—	—	—	4,533	4,533
Total income	—	2,260,728	2,576,131	4,874	4,841,733
Segment net profit / (loss) from continuing operations before tax	(10,667,897)	(9,109,713)	(470,476)	(6,257,481)	(26,505,567)

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Note 25 Operating segments (continued)

Segment assets

2021	Graphite Exploration and Mining $	Battery Technology $	Battery Materials $	Unallocated $	Total $
Segment assets	3,116,523	13,990,451	47,899,929	137,850,370	202,857,273

2020	Graphite Exploration and Mining $	Battery Technology $	Battery Materials $	Unallocated $	Total $
Segment assets	2,998,439	5,872,307	28,744,416	37,642,256	75,257,418

Segment liabilities

2021	Graphite Exploration and Mining $	Battery Technology $	Battery Materials $	Unallocated $	Total $
Segment liabilities	—	7,440,067	9,277,070	1,744,334	18,461,471

2020	Graphite Exploration and Mining $	Battery Technology $	Battery Materials $	Unallocated $	Total $
Segment liabilities	—	2,868,546	3,604,836	2,252,043	8,725,425

Geographical Segments

For the purposes of segment reporting, all segment activities relating to Graphite Exploration and Mining are carried out in Australia and all segment activities relating to Battery Materials and Battery Technology are carried out in North America.

Note 26 Cash flow information

Reconciliation of profit / (loss) after income tax to net cash outflow from operating activities

	Consolidated		
	2021 $	2020 $	2019 $
Profit / (loss) for the period	(18,076,077)	(20,028,526)	(26,121,912)
Adjustments for			
Share based payments	5,948,532	7,558,953	6,673,510
Borrowing costs	760	5,098,906	1,405,456
Fixed assets written off	2,764,940	210,773	90,477
Loss on sale of fixed assets	6,777	—	—
Foreign exchange (gain) / loss	106,787	387,371	(174,990)
Gain on acquisition of subsidiary	—	—	(2,576,131)
Share of net loss of joint venture	—	—	751,981
Fair value gain on borrowings	—	—	(114,106)
Impairment losses	—	—	15,918,925
Non-cash termination settlement	294,247	—	—
Amortisation & depreciation expense	1,697,754	1,380,303	494,948
Government incentives	(49,278)	—	—
Income tax expense	—	—	(273,939)

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Note 26 Cash flow information (continued)

	Consolidated		
	2021 $	2020 $	2019 $
Change in operating assets and liabilities:			
(Increase)/decrease in other operating assets	(1,927,128)	(976,969)	(672,354)
Increase / (decrease) in trade creditors	(145,616)	387,198	288,424
Increase in other operating liabilities	1,206,238	388,474	309,624
Net cash outflow from operating activities	(8,172,064)	(5,593,517)	(4,000,087)

(a) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each period presented.

	2021 $	2020 $	2019 $
Cash and cash equivalents	136,663,976	38,807,662	6,054,664
Lease liability - repayable within one year	(410,792)	(141,124)	—
Borrowings – repayable within one year (including overdraft)	(277,060)	(274,917)	(4,145,069)
Lease liability - repayable after one year	(7,120,396)	(2,778,979)	—
Borrowings – repayable after one year	(5,986,565)	(1,937,095)	(13,016,841)
Net cash (debt)	122,869,163	33,675,547	(11,107,246)
Cash and cash equivalents	136,663,976	38,807,662	6,054,664
Gross debt – fixed interest rates	(8,386,881)	(3,807,635)	(15,808,268)
Gross debt – variable interest rates	(5,407,932)	(1,324,480)	(1,353,642)
Net cash (debt)	122,869,163	33,675,547	(11,107,246)

		Liabilities from financing activities		
	Cash $	Borrowings due within 1 year $	Borrowings due after 1 year $	Total $
Net debt as at 1 July 2018	**365,592**	**(56,254)**	**(1,645,776)**	**(1,336,438)**
Cashflows	5,689,072	(3,964,813)	(574,917)	1,149,342
Conversion/proceeds of loan notes	—	—	(10,905,530)	(10,905,530)
Other non-cash movements	—	(124,002)	109,382	(14,620)
Net debt as at 30 June 2019	**6,054,664**	**(4,145,069)**	**(13,016,841)**	**(11,107,246)**
Cashflows	32,752,998	(6,118,751)	6,508,544	33,142,791
Conversion of short-term loan to loan notes	—	4,000,000	(4,000,000)	—
Redemption of loan notes		—	10,468,843	10,468,843
Other non-cash movements	—	5,847,779	(4,676,620)	1,171,159
Net cash as at 30 June 2020	38,807,662	(416,041)	(4,716,074)	33,675,547
Cashflows	97,856,314	329,873	(4,029,769)	94,156,418
Other non-cash movements	—	(601,684)	(4,361,118)	(4,962,802)
Net cash as at 30 June 2021	**136,663,976**	**(687,852)**	**(13,106,961)**	**122,869,163**

(b) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- Right of use assets – note 21
- Options and shares issued to employees – note 28

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Note 27 Interests in subsidiaries

Information about Principal Subsidiaries

The Group's material subsidiaries at 30 June 2021 are set out in the following table. Unless otherwise stated, each entity has share capital consisting solely of ordinary shares that are held by the Group, and the proportion of ownership interest held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business / country of incorporation	Ownership interest held of the group 2021 %	Ownership interest held of the group 2020 %	Principal activities
MD South Tenements Pty Ltd	Australia	100%	100%	Graphite exploration
Novonix Battery Testing Services Inc	Canada	100%	100%	Battery technology services.
Novonix Corp	USA	100%	100%	Investment
NOVONIX Anode Materials	USA	100%	100%	Battery materials development

Note 28 Share-based payments

OPTIONS

A summary of movements of all options issued is as follows:

	Number	Weighted Average Exercise Price
Options outstanding as at 1 July 2018	**21,175,000**	$0.64
Granted	33,710,000	$0.69
Granted – Subject to shareholder approval	17,500,000	$0.50
Forfeited	(365,000)	$0.65
Exercised	(5,000,000)	$0.30
Options outstanding as at 30 June 2019	**67,020,000**	$0.65
Granted to employees	4,500,000	$0.50
Granted to loan note holders	10,000,000	$0.80
Cancelled	(40,500,000)	$0.77
Expired	(970,000)	$0.60
Exercised	(183,333)	$0.66
Options outstanding as at 30 June 2020	**39,866,667**	$0.55
Granted to employees	200,000	$0.50
Expired	(500,000)	$1.03
Exercised	(7,463,333)	$0.70
Options outstanding as at 30 June 2021	**32,103,334**	**$0.51**

The weighted average remaining contractual life of options outstanding at year end was 5.8 years (2020: 5.8 years).

Details of options awarded during the financial year are as follows:

a. On 8 July 2019, 2,500,000 share options were awarded to an employee of the group (who is not KMP). The terms of the options are set out in the table below. The options hold no voting or dividend rights and are not transferable. The options vest in 10 tranches on achievement of progressive Novonix Anode Materials sales milestones. The vesting dates in the table below represent the current estimate of when the vesting conditions will be met.

Note 28 Share-based payments (continued)

The fair value of these options was $804,375. This value was calculated using a binomial option pricing model applying the following inputs:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6	Tranche 7	Tranche 8	Tranche 9	Tranche 10
Number of options	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Exercise price	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50
Award date	08/07/2019	08/07/2019	08/07/2019	08/07/2019	08/07/2019	08/07/2019	08/07/2019	08/07/2019	08/07/2019	08/07/2019
Expiry date	08/07/2029	08/07/2029	08/07/2029	08/07/2029	08/07/2029	08/07/2029	08/07/2029	08/07/2029	08/07/2029	08/07/2029
Vesting date	31/05/2022	31/03/2023	30/06/2023	30/11/2023	31/12/2023	28/02/2024	31/03/2024	30/04/2024	31/05/2024	30/06/2024
Volatility	85.08%	85.08%	85.08%	85.08%	85.08%	85.08%	85.08%	85.08%	85.08%	85.08%
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rate	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%
Fair value at grant date	$ 0.3026	$ 0.3115	$ 0.3179	$ 0.3201	$ 0.3248	$ 0.3255	$ 0.3264	$ 0.3270	$ 0.3307	$ 0.3310

Details of options awarded during the financial year are as follows:

b. On 7 December 2019, 1,000,000 share options were awarded to an employee of the group (who is not KMP). The terms of the options are set out in the table below. The options hold no voting or dividend rights and are not transferable. The options vest in 10 tranches on achievement of progressive Novonix Anode Materials sales milestones. The vesting dates in the table below represent the current estimate of when the vesting conditions will be met.

The fair value of these options was $456,580. This value was calculated using a binomial option pricing model applying the following inputs:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6	Tranche 7	Tranche 8	Tranche 9	Tranche 10
Number of options	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Exercise price	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50
Award date	7/12/2019	7/12/2019	7/12/2019	7/12/2019	7/12/2019	7/12/2019	7/12/2019	7/12/2019	7/12/2019	7/12/2019
Expiry date	7/12/2029	7/12/2029	7/12/2029	7/12/2029	7/12/2029	7/12/2029	7/12/2029	7/12/2029	7/12/2029	7/12/2029
Vesting date	31/05/2022	31/03/2023	30/06/2023	30/11/2023	31/12/2023	28/02/2024	31/03/2024	30/04/2024	31/05/2024	30/06/2024
Volatility	84.89%	84.89%	84.89%	84.89%	84.89%	84.89%	84.89%	84.89%	84.89%	84.89%
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rate	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%
Fair value at grant date	$ 0.4274	$ 0.4415	$ 0.4513	$ 0.4543	$ 0.4611	$ 0.4623	$ 0.4636	$ 0.4644	$ 0.4696	$ 0.4703

Details of options awarded during the financial year are as follows:

c. On 16 January 2020, 1,000,000 share options were awarded to an employee of the group (who is not KMP). The terms of the options are set out in the table below. The options hold no voting or dividend rights and are not transferable. The options vest in 10 tranches on achievement of progressive Novonix Anode Materials sales milestones. The vesting dates in the table below represent the current estimate of when the vesting conditions will be met.

The fair value of these options was $377,390. This value was calculated using a binomial option pricing model applying the following inputs:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6	Tranche 7	Tranche 8	Tranche 9	Tranche 10
Number of options	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Exercise price	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50
Award date	16/01/2020	16/01/2020	16/01/2020	16/01/2020	16/01/2020	16/01/2020	16/01/2020	16/01/2020	16/01/2020	16/01/2020
Expiry date	16/01/2030	16/01/2030	16/01/2030	16/01/2030	16/01/2030	16/01/2030	16/01/2030	16/01/2030	16/01/2030	16/01/2030
Vesting date	31/05/2022	31/03/2023	30/06/2023	30/11/2023	31/12/2023	28/02/2024	31/03/2024	30/04/2024	31/05/2024	30/06/2024
Volatility	82.80%	82.80%	82.80%	82.80%	82.80%	82.80%	82.80%	82.80%	82.80%	82.80%
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rate	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%
Fair value at grant date	$ 0.3541	$ 0.3648	$ 0.3726	$ 0.3753	$ 0.3809	$ 0.3819	$ 0.3832	$ 0.3839	$ 0.3883	$ 0.3889

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Note 28 Share-based payments (continued)

d. On 14 December 2020, 100,000 share options were awarded to an employee of the group (who is not KMP). The terms of the options are set out in the table below. The options hold no voting or dividend rights and are not transferable.

The fair value of these options was $83,444. This value was calculated using a binomial option pricing model applying the following inputs:

	Tranche 1	Tranche 2	Tranche 3
Number of options	33,333	33,333	33,334
Exercise price	$ 0.50	$ 0.50	$ 0.50
Award date	14/12/2020	14/12/2020	14/12/2020
Expiry date	14/12/2030	14/12/2030	14/12/2030
Vesting date	24/02/2021	24/02/2022	24/02/2023
Volatility	94.2%	94.2%	94.2%
Dividend yield	0%	0%	0%
Risk-free interest rate	0.98%	0.98%	0.98%
Fair value at grant date	$ 0.7878	$ 0.8394	$ 0.8758

e. On 14 March 2021, 100,000 share options were awarded to an employee of the group (who is not KMP). The terms of the options are set out in the table below. The options hold no voting or dividend rights and are not transferable.

The fair value of these options was $247,297. This value was calculated using a binomial option pricing model applying the following inputs:

	Tranche 1	Tranche 2	Tranche 3
Number of options	33,333	33,333	33,334
Exercise price	$ 0.50	$ 0.50	$ 0.50
Award date	14/03/2021	14/03/2021	14/03/2021
Expiry date	14/03/2031	14/03/2031	14/03/2031
Vesting date	24/02/2022	24/02/2023	24/02/2024
Volatility	96.28%	96.28%	96.28%
Dividend yield	0%	0%	0%
Risk-free interest rate	1.72%	1.72%	1.72%
Fair value at grant date	$ 2.4101	$ 2.4811	$ 2.5277

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Note 28 Share-based payments (continued)

PERFORMANCE RIGHTS

A summary of movements of all performance rights issued is as follows:

	Number on issue	Number Vested
Performance rights outstanding as at 1 July 2018	**1,645,833**	**895,833**
Granted	1,750,000	—
Exercised	—	—
Expired	—	—
Performance rights outstanding as at 30 June 2019	**3,395,833**	**895,833**
Vested	1,500,000	
Performance rights outstanding as at 30 June 2020	**3,395,833**	**2,395,833**
Vested	—	—
Granted	3,500,000	3,500,000
Forfeited	(1,000,000)	—
Exercised	(3,558,865)	(3,558,865)
Settled	(736,968)	(736,968)
Performance rights outstanding as at 30 June 2021	**1,600,000**	**1,600,000**

During the financial year 3,500,000 performance rights (convertible to ordinary shares on a 1:1 basis) were granted to Chris Burns, CEO (1,500,000), Nick Liveris, CFO (750,000) and other employees (1,250,000). The value of each performance right was determined with reference to the market value of the underlying securities on grant date of $1.06. An expense of $2,952,676 has been recognised in the year ended 30 June 2021. Further details of the performance rights are set out in the table below:

Grant date	Number	Vesting date	Expiry
14 December 2020	2,250,000	4 January 2021	30 June 2022
14 December 2020	250,000	11 December 2021	11 December 2025
14 December 2020	250,000	11 December 2022	11 December 2025
14 December 2020	250,000	11 December 2023	11 December 2025
14 December 2020	250,000	11 December 2024	11 December 2025
14 December 2020	250,000	14 December 2020	30 June 2022
Total	**3,500,000**		

1,000,000 performance rights were forfeited during the year as not all vesting conditions were met.

The Group entered into a separation agreement with Philip St Baker following his resignation on 23 September 2020, which included the offset of 736,968 performance rights against the settlement of a $1,500,000 limited resource loan (refer note 23(f)).

Note 29 Events after the reporting date

Since the end of the financial year:

a) in July 2021, NOVONIX has closed on the purchase of the previously mentioned 400,000+ square-foot facility in Chattanooga, Tennessee known locally as ‘‘Big Blue’’, announced initially on 23 June 2021, for USD$41.5 million.

b) Phillips 66 announced a US$150 million strategic investment in NOVONIX for approximately 16% of the Company, advancing NOVONIX’s production of synthetic graphite for high-performance lithium-ion batteries. Phillips 66 will subscribe for 77,962,578 ordinary shares of NOVONIX for a purchase price of US$150 million (approx. AUD$203 million). This investment expands on a previous relationship with NOVONIX to develop state of the art technology under a DOE project awarded in 2021. The investment in NOVONIX will support scale up of its anode production facility and additional growth of the Anode Materials division as the Company looks to bring 40,000 MT of synthetic graphite anode material into service by 2025. Phillips 66 is a global producer of petroleum needle coke, and is a supplier to NOVONIX. The transaction was approved by NOVONIX shareholders on 24 September 2021.

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Note 29 Events after the reporting date (continued)

c) NOVONIX continued work towards an initial public offering in the United States of American Depositary Shares (''ADS''), and concurrent listing of the ADSs on Nasdaq.

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Note 30 Related party transactions

During the financial year:

(a) On 14 December 2020, 2,250,000 performance rights (convertible to ordinary shares on a 1:1 basis) were granted to Chris Burns, CEO (1,500,000) and Nick Liveris, CFO (750,000). The performance rights were formally approved by shareholders at the AGM on 17 November 2020. The value of each performance right was determined to be $1.06, with a vesting date of 4 January 2021 and an expiry date of 30 June 2022. An expense of $2,044,286 has been recognised in the year ended 30 June 2021.

(b) The Group entered into a separation agreement with Philip St Baker following his resignation on 23 September 2020, which included the settlement of a $1,500,000 limited resource loan. Refer note 22(f).

(c) On 16 March 2021 the following performance rights were exercised and converted into fully paid ordinary shares:

   a. Greg Baynton (Director) – 300,000 performance rights

   b. Chris Burns (CEO) – 1,800,000 performance rights

   c. Nicholas Liveris (CFO) – 900,000 performance rights

There were no other related party transactions during the financial year.

Note 31 Commitments

(a) Exploration commitments

	Consolidated	
	2021 $	2020 $
Commitments for payments under exploration permits in existence at the reporting date but not recognised as liabilities payable	13,000	6,000

So as to maintain current rights to tenure of various exploration tenements, the Group will be required to outlay amounts in respect of tenement exploration expenditure commitments. These outlays, which arise in relation to granted tenements are noted above. The outlays may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished.

Exploration commitments are calculated on the assumption that each of these tenements will be held for its full term. But, in fact, commitments will decrease materially as exploration advances and ground that is shown to be unprospective is progressively surrendered. Expenditure commitments on prospective ground will be met out of existing funds, farm-outs, and new capital raisings.

(b) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	Consolidated	
	2021 $	2020 $
Property, plant and equipment	10,182,218	—

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Note 32 Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated	
		2021 **$**	**2020** **$**
Financial assets	Notes		
Cash and cash equivalents	12	136,663,976	38,807,662
Trade and other receivables	13	2,042,963	1,075,357
Total financial assets		138,706,939	39,883,019
Financial liabilities			
Trade payables	19	1,823,898	847,724
Lease liabilities	21	7,531,188	2,920,103
Borrowings	22	6,263,625	2,212,012
Total financial liabilities		15,618,711	5,979,839

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Market risk

Market risk is the risk that the change in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The Group is not exposed to market risks other than interest rate risk.

Foreign currency risk

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the US dollar and the Canadian dollar may impact on the Group's financial results.

The following table shows the foreign currency risk as on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of the operations.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2021 **CAD** **$**	2020 CAD $	**2021** **USD** **$**	2020 USD $
Cash at bank	246,055	377,909	70,491,449	16,591,686
Trade receivables	227,925	50,321	1,305,421	616,494
Trade payables	322,387	154,305	803,545	349,475
Borrowings	6,263,625	2,025,562	—	36,706
Lease liabilities	—	—	7,531,188	2,920,103

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Note 32 Financial risk management (continued)

Cash flow and fair value interest rate risk

The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. During 2021, the group's borrowings at variable rates were denominated in Canadian dollars.

As the Group has interest-bearing cash assets, the Company's income and operating cash flows are exposed to changes in market interest rates. The Company manages its exposure to changes in interest rates by using fixed term deposits.

At 30 June 2021, if interest rates had changed by -/+ 100 basis points from the year-end rates with all other variables held constant, post-tax profit / (loss) for the year would have been $1,237,193 (30 June 2020: $397,091) lower/higher, as a result of higher/lower interest income from cash and cash equivalents.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises primarily from cash and cash equivalents and deposits with banks and financial institutions. For bank and financial institutions, only independently rated parties with a minimum rating of 'AAA' are accepted.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. No finance facilities were available to the Group at the end of the reporting period.

All financial assets mature within one year. The maturity of all financial liabilities is set out in the table below.

Financing arrangements

The group's undrawn borrowing facilities as at 30 June 2021 totals $1,974,931 (CAD $1,838,087) which relates to the loan facilities secured over commercial land and buildings (refer note 22).

Maturities of financial liabilities

As at 30 June 2021, the contractual maturities of the group's non-derivative financial liabilities were as follows:

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
At 30 June 2021							
Trade payables	4,356,556	—	—	—	—	4,356,556	4,356,556
Lease liabilities	360,437	361,014	742,275	2,292,090	6,048,571	9,804,386	7,531,188
Borrowings	185,059	212,961	649,094	1,929,055	5,307,377	8,283,546	6,263,625
Total non-derivatives	4,902,051	573,975	1,391,369	4,221,145	11,355,948	22,444,488	18,151,369

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Note 33 Business Combination

On 2 February 2017, Novonix Limited entered into a binding term sheet with Coulometrics LLC (''Coulometrics'') to form an incorporated joint venture (Novonix Anode Materials) to develop and commercialise high purity battery grade graphite material for the electric vehicle and other energy storage markets. Novonix contributed USD$10million for a 50% interest while Coulometrics contributed the equivalent in ''Intellectual Property'' which is recognised as the rights and exclusivity to the technical process and knowledge of Edward Buiel, founder of Coulometrics, relating to the unique development and commercialisation of high purity battery grade graphite material.

In the binding term sheet between Novonix and Coulometrics, Novonix had a call option which gave them the option to acquire an additional 25% of Novonix Anode Materials for USD$5million exercisable at any time within two years. This option was exercised on 31 January 2019 and a further USD$5million was paid to Coulometrics.

On 30 May 2019, Coulometrics conceded its remaining 25% interest in Novonix Anode Materials to Novonix for no consideration. The reason was that it was not commercially viable for Coulometrics to contribute further funds to Novonix Anode Materials, due to the terms of the agreement allowing Novonix to profit from all revenue generated by the company in excess of 1,000 tonnes per annum. The result of this ownership transfer has had no bearing or implications on the exclusivity of Coulometrics technology and know-how in relation to the development and commercialisation of high purity battery grade graphite material.

The transaction has been accounted for as a step-up acquisition, being a disposal of the Group's existing 50% equity accounted investment in Novonix Anode Materials at its fair value in exchange for the acquisition of 100% interest in Novonix Anode Materials. As a result, a gain of $2,576,131 was recognised at the time of the business combination which represented the difference between the fair value of the 50% equity interest and the carrying value of the equity accounted investment.

The details of the business combination are as follows:

	$
Fair value previously held equity interest	13,291,330
Fair value of consideration transferred	7,075,279
	20,366,609

The fair values of the assets and liabilities of the Novonix Anode Materials LLC, acquired as at the date of acquisition, are as follows:	**$**
Cash and cash equivalents	1,880,108
Inventories	1,649
Plant and equipment	913,821
Intangible assets: Technology	1,268,785
Deferred tax liabilities	(266,445)
Identifiable net assets acquired	3,797,918
Goodwill on acquisition	16,568,691
Net assets acquired	20,366,609

The consideration payable for the combination effectively included a premium for the right of exclusive use of any excess capacity of the company to the production of graphite anode material greater than 1,000 tonnes per annum and to exploit the company's intellectual property and know-how in so doing which has resulted in goodwill of $16,568,691. The full value of goodwill and client intangibles is not expected to be tax deductible for tax purposes.

Note 33 Business Combination (continued)

Acquisition costs

Acquisition-related costs amounting to $129,345 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of administrative and other expenses.

Revenue and profit / (loss) contribution

The acquired business contributed net loss after tax of $1,541,643 (USD $1,085,511) to the Group for the period 1 February 2019 to 30 June 2019. If the acquisition had occurred on 1 July 2018, Novonix Anode Materials' contribution to consolidated loss for the year ended 30 June 2019 would have been $3,318,584 (USD $2,336,700).

Purchase consideration – cash outflow:

Outflow of cash to acquire subsidiary, net of cash acquired:

Purchase consideration	$
Cash consideration	7,075,279
Less: cash balances acquired	(1,880,108)
Outflow of cash in FY2019 – investing activities	5,195,171

END OF ANNUAL FINANCIAL REPORT – 30 JUNE 2021

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of NOVONIX Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of NOVONIX Limited and its subsidiaries (the "Company") as of June 30, 2021 and 2020, and the related consolidated statements of profit or loss and other comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended June 30, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2021 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations and has incurred cash outflows from operating activities that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for leases from July 1, 2019.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers
Brisbane, Australia
September 17, 2021

We have served as the Company's auditor since 2018.

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Certificate of Registration on Change of Name

This is to certify that

GRAPHITECORP LIMITED

Australian Company Number 157 690 830

did on the eleventh day of July 2017 change its name to

NOVONIX LIMITED

Australian Company Number 157 690 830

The company is a public company.

The company is limited by shares.

The company is registered under the Corporations Act 2001 and is taken to be registered in Queensland and the date of commencement of registration is the fifth day of April, 2012.

Issued by the
Australian Securities and Investments Commission
on this eleventh day of July 2017.

Greg Medcraft
Chairman

CERTIFICATE

Exhibit 1.2

Constitution of NOVONIX Limited

Version: 1

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Lawyers McCullough Robertson

Constitution

NOVONIX Limited ACN 079 844 107

1 Preliminary

1.1 Definitions

In this constitution:

Term	Definition
AGM	means an annual general meeting of the company that the Corporations Act requires to be held.
Business Day	has the meaning given to that term in the Listing Rules.
Corporations Act	means *Corporations Act 2001* (Cth).
Exchange	means ASX Limited ACN 008 624 691 or another body corporate declared by the directors to be the company's primary stock exchange for the purposes of this definition.
Listing Rules	means the listing rules of the Exchange.
Proper ASTC Transfer	has the meaning given to that term in the *Corporations Regulations 2001* (Cth).
Record Time	means: (a) in the case of a meeting for which the caller of the meeting has decided, under the Corporations Act, that shares are to be taken to be held by the persons who held them at a specified time before the meeting, that time; and (b) in any other case, the time of the relevant meeting.
Relevant Law	means the Corporations Act, the Listing Rules and the Settlement Operating Rules.
Representative	means, for a member which is a body corporate and for a meeting, a person authorised under the Corporations Act (or a corresponding previous law) by the body corporate to act as its representative at the meeting.
Settlement Operating Rules	means the operating rules of ASX Settlement Pty Limited ACN 008 504 532 or the equivalent operating rules of the relevant Exchange.

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1.2 Interpretation

In this constitution:

(a) a reference to a partly paid share is a reference to a share on which there is an amount unpaid;

(b) a reference to an amount unpaid on a share includes a reference to any amount of the issue price which is unpaid;

(c) a reference to a call or an amount called on a share includes a reference to a sum that, by the terms of issue of a share, becomes payable at one or more fixed times;

(d) a reference to a member for the purposes of a meeting of members for which the caller of the meeting has determined a Record Time is a reference to a registered holder of shares at the relevant Record Time;

(e) a reference to a member present at a general meeting is a reference to a member present in person or by proxy, attorney or Representative;

(f) a reference to a person holding or occupying a particular office or position is a reference to any person who occupies or performs the duties of that office or position;

(g) unless the contrary intention appears:

(i) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;

(ii) a reference to a person includes that person's successors, legal personal representatives, permitted substitutes and permitted assigns;

(iii) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

(iv) a reference to the Listing Rules or the Settlement Operating Rules includes any variation, consolidation or replacement of those rules and is to be taken to be subject to any applicable waiver or exemption;

(v) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(vi) a reference to a rule is a reference to a rule of this constitution;

(vii) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced; and

(viii) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day; and

(h) headings are for convenience only and do not affect interpretation.

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1.3 Application of the Relevant Law

(a) The replaceable rules in the Corporations Act do not apply to the company.

(b) A reference to the Exchange, the Listing Rules or the Settlement Operating Rules only applies while the company is included in the official list of the Exchange.

(c) Where an expression is used in a manner consistent with a provision of the Relevant Law, the expression has the same meaning as in that provision.

(d) While the company is included in the official list of the Exchange, the following rules apply:

(i) despite anything contained in these rules, if the Listing Rules prohibit an act being done, the act must not be done;

(ii) nothing contained in these rules prevents an act being done that the Listing Rules require to be done;

(iii) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

(iv) if the Listing Rules require these rules to contain a provision and they do not contain that provision, these rules are taken to contain that provision;

(v) if the Listing Rules require these rules not to contain a provision and they contain that provision, these rules are taken not to contain that provision; and

(vi) if any provision of these rules is or becomes inconsistent with the Listing Rules, these rules are taken not to contain that provision to the extent of the inconsistency.

1.4 Exercising powers

(a) The company may exercise any power, take any action or engage in any conduct which the Corporations Act permits a company limited by shares to exercise, take or engage in.

(b) A power conferred on a person to do a particular act or thing under this constitution includes, unless the contrary intention appears, a power (exercisable in the same way and subject to the same conditions) to repeal, rescind, revoke, amend or vary that act or thing.

(c) A power conferred under this constitution to do a particular act or thing:

(i) may be exercised from time to time and subject to conditions; and

(ii) may, where the power concerns particular matters, be exercised for only some of those matters or as to a particular class of those matters, and to make different provision concerning different matters or different classes of matters.

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(d) Where a power to appoint a person to an office or position is conferred under this constitution (except the power to appoint a director under rule 19.2(a)) the power includes, unless the contrary intention appears, a power to:

(i) appoint a person to act in the office or position until a person is appointed to the office or position;

(ii) remove or suspend any person appointed (without prejudice to any rights or obligations under any contract between the person and the company); and

(iii) appoint another person temporarily in the place of any person removed or suspended or in the place of any sick or absent holder of the office or position.

(e) Where this constitution gives power to a person to delegate a function or power:

(i) the delegation may be concurrent with, or (except in the case of a delegation by the directors) to the exclusion of, the performance or exercise of that function or power by the person;

(ii) the delegation may be either general or limited in any way provided in the terms of delegation;

(iii) the delegation need not be to a specified person but may be to any person holding, occupying or performing the duties of a specified office or position;

(iv) the delegation may include the power to delegate; and

(v) where performing or exercising that function or power depends on that person's opinion, belief or state of mind about a matter, that function or power may be performed or exercised by the delegate on the delegate's opinion, belief or state of mind about that matter.

2 Capital

2.1 Shares

Subject to this constitution and the Relevant Law, the directors may:

(a) issue and cancel shares;

(b) grant options over unissued shares;

(c) settle the manner in which fractions of a share are to be dealt with; and

(d) decide:

(i) the persons to whom shares are issued or options are granted;

(ii) the terms on which shares are issued or options are granted; and

(iii) the rights and restrictions attached to those shares or options.

2.2 Preference share rights

(a) The company may issue preference shares including preference shares which are, at the option of the company or holder, liable to be redeemed or converted to ordinary shares.

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(b) Each preference share confers on the holder the right to:

(i) receive a preferential dividend, in priority to the payment of any dividend on the ordinary shares, at a rate (which may be fixed or variable) and on the basis (including whether cumulative or not) decided by the directors at the time of issue;

(ii) participate with the ordinary shares in profits and assets of the company, including on a winding up, if and to the extent the directors decide at the time of issue;

(iii) in a winding up and on redemption, payment in priority to the ordinary shares of:

(A) the amount of any dividend accrued but unpaid on the share at the date of winding up or the date of redemption; and

(B) any additional amount specified in the terms of issue;

(iv) (to the extent directors may decide at the time of issue), a bonus issue or capitalisation of profits in favour of holders of those shares only; and

(v) vote at any general meeting of the company, but only in the following circumstances:

(A) on a proposal to reduce the share capital of the company, affect the rights attached to the share, to wind up the company or for the disposal of the whole of the property, business and undertaking of the company;

(B) on a resolution to approve the terms of a buy-back agreement;

(C) during a period in which a dividend or part of a dividend on the share is in arrears;

(D) during the winding up of the company; or

(E) in any other circumstances in which the Listing Rules require holders of preference shares to be entitled to vote.

(c) On a poll on a matter listed in rule 2.2(b)(v), the holder of a preference share is entitled to one vote per share or the number of votes specified in, or determined under, the terms of issue for the share.

(d) If the preference share is redeemable, the company must redeem the share and pay to, or to a person directed by the holder, the amount payable on redemption of the share, as and when required by the terms of issue.

2.3 Alteration of share capital

Subject to the Corporations Act, the company may resolve to convert or reclassify shares from one class to another and the directors may do anything required to give effect to that resolution.

2.4 Variation of class rights

(a) The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:

(i) with the written consent of the holders of 75% of the shares of the class; or

(ii) by a special resolution passed at a separate meeting of the holders of shares of the class.

(b) The rights conferred on the holders of any class of shares are to be taken as not having been varied by the creation or issue of further shares ranking equally with them.

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2.5 Restricted securities

If the Exchange classifies any of the company's share capital as 'restricted securities', then, despite anything in this constitution:

(a) the restricted securities must not be disposed of during the escrow period except as permitted by the Listing Rules or the Exchange;

(b) the company must, except as permitted by the Listing Rules or the Exchange, refuse to acknowledge a disposal of the restricted securities during the escrow period; and

(c) the member holding the restricted securities ceases to be entitled to any dividend or distribution and to any voting rights for those restricted securities for so long as a breach of the Listing Rules relating to restricted securities or a breach of the restriction agreement for the restricted securities subsists.

3 Certificates

3.1 Issue of certificates

(a) Subject to the Relevant Law, the company:

(i) need not issue certificates for shares if the directors decide; and

(ii) may issue certificates for shares, cancel any certificates for shares, and replace lost or destroyed or defaced certificates for shares, on the basis and in the form which the directors decide.

(b) The company must issue to a shareholder any statements of the holding of shares registered in the shareholder's name as required by the Relevant Law.

3.2 Cancellation of certificates

Where the directors have, under rule 3.1(a), decided not to issue certificates for securities or to cancel existing certificates, a shareholder has the right to receive statements of the holdings of the shareholder as are required to be distributed to a shareholder under the Relevant Law.

4 Register

4.1 Joint holders

Where two or more persons are registered as the holders of a share, they are taken to hold the shares as joint tenants with benefits of survivorship subject to the following provisions:

(a) the company is not bound to register more than three persons as the holders of the shares (except in the case of trustees, executors or administrators of a deceased shareholder);

(b) the joint holders are jointly and severally liable for all payments which ought to be made in respect of the shares;

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(c) only the person whose name appears first in the register as one of the joint holders of the shares is entitled, if the company is required by the Relevant Law or this constitution to issue certificates for shares, to delivery of a certificate for the shares; and

(d) any one of the joint holders may vote at any meeting of the company either personally or by duly authorised representative, proxy or attorney, in respect of the shares as if that joint holder was solely entitled to the shares, and if more than one of the joint holders are present at any meeting personally or by duly authorised representative, proxy or attorney, the joint holder who is present whose name appears first in the register for the shares is entitled alone to vote in respect of the shares.

4.2 Equitable and other claims

The registered holder of a share may be treated as the absolute owner of that share by the company. The company is under no obligation to:

(a) recognise a person as holding a share on trust, even if the company has notice of a trust; or

(b) recognise, or be bound by, any equitable, contingent, future or partial claim to or interest in a share by any other person, except an absolute right of ownership in the registered holder, even if the company has notice of that claim or interest.

5 Calls on shares

5.1 Power to make calls

The directors may:

(a) make a call on a member for any money unpaid on the shares of that member which is not, by the terms of issue of those shares, made payable at fixed times;

(b) require a call to be paid by instalments; and

(c) revoke or postpone a call.

5.2 Time of calls

A call is taken to have been made when the directors' resolution authorising the call is passed or on a later date fixed by the directors.

5.3 Notice of calls

The company must give notice of a call at least 30 Business Days (or any longer period required by the Listing Rules) before the amount called is due, specifying the time and place of payment.

5.4 Payment of calls

Each member must pay to the company, by the time and at the place specified, the amount called on the member's shares.

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5.5 Fixed instalments

Subject to the notice requirements under the Listing Rules, any amount unpaid on a share that, by the terms of issue of the share, becomes payable on issue or at a fixed date is taken to be subject to a call duly made and is payable under the terms of issue of the share.

5.6 Failure to pay

(a) If a member does not pay the amount due under a call in rule 5, by the time specified, the member must pay:

(i) interest on the unpaid amount from the date payment is due to the date payment is made, at a rate calculated under rule 10; and

(ii) any costs, expenses or damages the company incurs due to the failure to pay.

(b) The directors may waive payment under this rule wholly or in part.

5.7 Proof of call

In a proceeding to recover a call, or an amount payable due to the failure to pay or late payment of a call, proof that:

(a) the name of the defendant is entered in the register of members as the holder or one of the holders of the share on which the call is claimed;

(b) the resolution making the call is recorded in the minute book; and

(c) notice of the call was given to the defendant complying with this constitution,

is conclusive evidence of the debt.

5.8 Payments in advance of calls

The directors may:

(a) accept from a member the whole or a part of the amount unpaid on a share even though no part of that amount has been called;

(b) authorise payment by the company of interest on that amount, until the amount becomes payable, at a rate fixed by the directors; and

(c) repay to a member any amount accepted under rule 5.8.

5.9 Waiver

The directors may, to the extent the law permits, waive or compromise all or part of any payment due to the company under the terms of issue of a share or under rule 5.

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6 Forfeiture of shares

6.1 Forfeiture procedure

Subject to the Relevant Law, the company may by directors' resolution forfeit a member's share if:

(a) that member does not pay a call or other amount payable for that share on or before the date for its payment;

(b) the company gives the member written notice:

(i) requiring the shareholder to pay that call or other amount; and

(ii) stating that the share is liable to be forfeited if the member does not pay to the company, at the place specified in the notice, the amount specified in the notice, within 14 days (or any longer period specified) after the date of the notice; and

(c) that shareholder does not pay that amount under that notice.

6.2 Notice of forfeiture

(a) The company must:

(i) notify a person who held the forfeited share immediately before the forfeiture, of a resolution under rule 6.1 relating to the forfeited share; and

(ii) enter the forfeiture and its date in the register of members.

(b) Any failure to do so does not invalidate the forfeiture.

6.3 Effect of forfeiture

(a) A forfeiture under rule 6.1 includes all dividends, interest and other amounts payable by the company on the forfeited share and not actually paid before the forfeiture.

(b) A forfeited share becomes the property of the company and the directors may:

(i) sell, reissue or otherwise dispose of the share as they think fit; and

(ii) in the case of reissue, or other disposal, with or without crediting as paid up any amount paid on the share by any former holder.

(c) A person whose shares have been forfeited ceases to be a member as to the forfeited shares, but must, if the directors decide, pay to the company:

(i) all calls and other amounts owing on the shares at the time of the forfeiture; and

(ii) interest on the unpaid part of the amount payable under rule 6.3(c)(i), from the date of the forfeiture to the date of payment, at a rate calculated under rule 10.

(d) A forfeiture under rule 6.1 extinguishes all interest in, and all claims against the company relating to, the forfeited share and, subject to rule 9(j), all other rights attached to the share.

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(e) The directors may:

(i) exempt a share from all or part of this rule;

(ii) waive or compromise all or part of any payment due to the company under this rule; and

(iii) before a forfeited share has been sold, reissued or otherwise disposed of, cancel the forfeiture on the conditions they decide.

7 Lien on shares

7.1 Existence of lien

Subject to the Relevant Law, the company has a first and paramount lien on each share for:

(a) all due and unpaid calls and instalments for that share;

(b) all money payable to the company by the member under an employee incentive scheme;

(c) all money which the company is required by law to pay, and has paid, for that share;

(d) reasonable interest on the amount due from the date it becomes due until payment; and

(e) reasonable expenses of the company relating to the default on payment.

7.2 Lien on distributions

A lien under rule 7.1 extends to all distributions for that share, including dividends.

7.3 Sale under lien

(a) The directors may sell a share on which the company has a lien as they think fit where:

(i) an amount for which a lien exists under this rule is presently payable; and

(ii) the company has given the registered holder a written notice, at least 14 days before the date of the sale, stating and demanding payment of that amount.

(b) The directors may do anything necessary or desirable under the Settlement Operating Rules to protect any lien, charge or other right to which the company is entitled under this constitution or a law.

7.4 Extinguishment of lien

The company's lien over a member's shares is released (so far as it relates to amounts owing by the transferor or any predecessor in title) when the company registers a transfer of the shares without giving the transferee notice of its claim.

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7.5 Company's right to recover payments

If any law of any place imposes on the company the liability to make a payment for a member or a share held by that member, the member or, if the member is dead, the member's legal personal representative must:

(a) indemnify the company against that liability;

(b) on demand reimburse the company for any payment made; and

(c) pay interest on the unpaid part of the amount payable to the company under rule 7.5(b), from the date of demand until the date the company is reimbursed in full for that payment, at a rate calculated under rule 10.

7.6 Exemption from lien

The directors may:

(a) exempt a share from all or part of this rule; and

(b) waive or compromise all or part of any payment due to the company under this rule.

8 Surrender of shares

The directors may accept a surrender of shares by way of compromise of a claim. Any shares surrendered may be sold or re-issued in the same manner as a forfeited share.

9 Sale, reissue or other disposal of shares by the company

(a) A reference in this rule to a sale of a share by the company is a reference to any sale, reissue or other disposal of a share under rule 6.3(b), rule 7.3 or rule 13.

(b) When the company sells a share, the directors may:

(i) receive the purchase money or consideration given for the share;

(ii) effect a transfer of the share or sign or appoint a person to sign, on behalf of the former holder, a transfer of the share; and

(iii) register as the holder of the share the person to whom the share is sold.

(c) A person who the company sells shares to under this rule takes their title to the shares unaffected by any irregularity or invalidity about the sale. There is no need for the buyer to take any steps to investigate the regularity or validity of the sale, or to see how the purchase money or consideration on the sale is applied.

(d) A sale of the share by the company is valid even if an event described in rule 14 occurs to the member before the sale.

(e) The only remedy of a person who suffers a loss because of a sale of a share by the company is a claim for damages against the company.

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(f) The proceeds received on the sale of a share by the company are applied:

(i) first, to the expenses of the sale;

(ii) secondly, to all amounts payable (whether presently or not) by the former holder to the company; and

(iii) finally, the balance is paid to the former holder on the former holder delivering to the company proof of title to the shares acceptable to the directors.

(g) Rule 9(f)(i) does not apply to the proceeds of sale arising from a notice under rule 13 (the sale of an unmarketable parcel).

(h) Any proceeds of a sale of a share by the company which have not been claimed or otherwise disposed of according to law may be invested by the directors or otherwise applied to the benefit of the company.

(i) The company is not required to pay interest on money payable to a former holder under this rule.

(j) On completion of a sale, reissue or other disposal of a share under rule 6.3(b), the rights which attach to the share which were extinguished under rule 6.3(d) revive.

(k) A written statement by a director or secretary of the company that a share in the company has been:

(i) duly forfeited under rule 6.1;

(ii) duly sold, reissued or otherwise disposed of under rule 6.3(b); or

(iii) duly sold under rule 7.3 or rule 13,

on a date stated in the statement is conclusive evidence of the facts stated as against all persons claiming to be entitled to the share, and of the right of the company to forfeit, sell, reissue or otherwise dispose of the share.

10 Interest and costs payable

(a) If an amount called or otherwise payable to the company for a share is not paid on or before the time for payment, the person who owes that money must pay:

(i) interest on the unpaid amount:

(A) at a rate fixed by the directors; or

(B) if no rate is fixed, at a rate per annum 2% higher than the rate prescribed for unpaid judgments in the Supreme Court of the state or territory in which the company is registered; and

(ii) all costs the company incurs due to the failure to pay or the late payment.

(b) Interest accrues daily and interest and costs may be capitalised monthly or at any other intervals the directors decide.

(c) The directors may waive payment of interest or costs wholly or in part.

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11 Share plans

11.1 Implementing share plans

The directors may adopt and implement one or more of the following plans on the terms they think appropriate:

(a) a re-investment plan under which any dividend or other cash payment for a share or convertible security may, at the election of the person entitled to it, be:

(i) retained by the company and applied in payment for fully paid shares issued under the plan: and

(ii) treated as having been paid to the person entitled and simultaneously repaid by that person to the company to be held by it and applied under the plan;

(b) any other plan under which members or security holders may elect that dividends or other cash payments for shares or other securities:

(i) be satisfied by the issue of shares or other securities of the company or a related body corporate, or that issues of shares or other securities of the company or a related body corporate be made in place of dividends or other cash payments;

(ii) be paid out of a particular reserve or out of profits derived from a particular source; or

(iii) be forgone in consideration of another form of distribution from the company, another body corporate or a trust; or

(c) a plan under which shares or other securities of the company or related body corporate may be issued or otherwise given for the benefit of employees or directors of the company or any of its related bodies corporate.

11.2 Directors' powers and varying, suspending or terminating share plans

The directors:

(a) have all powers necessary or desirable to implement and carry out a plan referred to in rule 11.1 (including a plan approved by members); and

(b) may:

(i) vary the rules governing; or

(ii) suspend or terminate the operation of;

a plan referred to in rule 11.1 (including a plan approved by members) as they think appropriate.

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12 Transfer of shares

12.1 Computerised trading

(a) The directors may do anything they consider necessary or desirable and which is permitted under the Relevant Law to facilitate the involvement by the company in any computerised or electronic system established or recognised by the Relevant Law for the purposes of facilitating dealings in securities.

(b) The company must comply with and give effect to the Listing Rules and the Settlement Operating Rules applying to a transfer of shares.

12.2 Transferring shares

(a) Subject to this constitution and to any restrictions attached to a member's shares, a member may transfer any of the member's shares by:

(i) a Proper ASTC Transfer;

(ii) a written transfer in any usual form or in any other form approved by the directors; or

(iii) any other method permitted by the Relevant Law and approved by the directors.

(b) A transfer referred to in rule 12.2(a)(ii) must be:

(i) signed by or on behalf of both the transferor and the transferee unless the transfer relates only to fully paid shares and the directors have dispensed with a signature by the transferee or the transfer of the shares is effected by a document which is, or documents which together are, a sufficient transfer of those shares under the Corporations Act;

(ii) duly stamped, if required by law; and

(iii) left for registration at the company's registered office, or at any other place the directors decide, with any evidence the directors require to prove the transferor's title or right to the shares and the transferee's right to be registered as the owner of the shares.

(c) Subject to the powers vested in the directors under rules 12.3(a) and 12.4, where the company receives a transfer complying with rule 12.1, the company must register the transferee named in the transfer as the holder of the shares to which it relates.

(d) A transferor of shares remains the holder of the shares until a Proper ASTC Transfer has been effected or the transferee's name is entered in the register of members as the holder of the shares.

(e) Subject to the Listing Rules, the company may charge a fee for registering a transfer of shares.

(f) The company may retain a registered transfer for any period the directors decide.

(g) The directors may, to the extent the law permits, waive any of the requirements of rule 12.1 and prescribe alternative requirements instead, to give effect to rule 12.1(a) or for another purpose.

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12.3 Power to decline to register transfers

(a) The directors may decline to register, or prevent registration of, a transfer of shares or apply a holding lock to prevent a transfer under the Corporations Act or the Listing Rules where:

(i) the transfer is not in registrable form;

(ii) the company has a lien on any of the shares transferred;

(iii) registration of the transfer may breach a law of Australia;

(iv) the transfer is paper-based and registration of the transfer creates a new holding which, at the time the transfer is lodged, is less than a marketable parcel;

(v) the transfer is not permitted under the terms of an employee share plan; or

(vi) the company is otherwise permitted or required to do so under the Listing Rules or, except for a Proper ASTC Transfer, under the terms of issue of the shares.

(b) If the directors decline to register a transfer, the company must give notice of the refusal as required by the Corporations Act and the Listing Rules. Failure to give that notice does not invalidate the decision of the directors to decline to register the transfer.

(c) The directors may delegate their authority under rule 12.3 to any person.

12.4 Power to suspend registration of transfers

The directors may suspend the registration of transfers at any time, and for any period, permitted by the Settlement Operating Rules that they decide.

13 Unmarketable parcels

13.1 Power of sale

(a) The company may sell a share that is part of an unmarketable parcel if it does so under this rule. The company's power to sell lapses if a takeover (as defined in the Listing Rules) is announced after the directors give notice under rule 13.2 and before the directors enter into an agreement to sell the share.

(b) The directors may, before a sale is effected under this rule, revoke a notice given or suspend or terminate the operation of this rule either generally or in specific cases.

(c) If a member is registered for more than one parcel of shares, the directors may treat the member as a separate member for each of those parcels so that this rule operates as if each parcel is held by different persons.

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13.2 Notice of proposed sale

(a) Once in any 12 month period, the directors may decide to give written notice to a member who holds an unmarketable parcel. If they do so, the notice must:

(i) state that the company intends to sell the unmarketable parcel; and

(ii) specify a date at least six weeks (or any lesser period permitted under the Corporations Act or the Listing Rules) after the notice is given by which the member may give the company written notice that the member wishes to retain the holding.

(b) If the directors' power to sell lapses under rule 13.1(a), any notice given by the directors under this rule is taken never to have been given and the directors may give a new notice after the close of the offers made under the takeover.

13.3 No sale where member gives notice

The company must not sell an unmarketable parcel if, in response to a notice given by the company under this rule, the company receives written notice that the member wants to keep the unmarketable parcel.

13.4 Terms of sale

A sale of shares under this rule includes all dividends payable on and other rights attaching to them. The company must pay the costs of the sale. Otherwise, the directors may decide the manner, time and terms of sale.

13.5 Share transfers

For the purpose of giving effect to this rule, each director and each secretary has the power to initiate, sign or otherwise effect a transfer of a share as agent for a member who holds an unmarketable parcel.

13.6 Application of proceeds

The company must:

(a) deduct any called amount for the shares sold under this rule from the proceeds of sale and pay the balance into a separate bank account it opens and maintains for that purpose only;

(b) hold that balance in trust for the previous holder of the shares;

(c) as soon as practical give written notice to the previous holder of the shares stating:

(i) what the balance is; and

(ii) that it is holding the balance for the previous holder of the shares while awaiting the previous members' instructions and return of the certificate (if any) for the shares sold or evidence of its loss or destruction;

(d) if the shares sold were certificated, not pay the proceeds of sale out of the trust account until it has received the certificate for them or evidence of its loss or destruction; and

(e) subject to paragraph 13.6(d), deal with the amount in the account as the previous holder of the shares instructs.

13.7 Protections for transferee

The title of the new holder of a share sold under this rule is not affected by any irregularity in the sale. The sole remedy of any person previously interested in the share is damages which may be recovered only from the company.

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14 Transmission of shares

14.1 Death of joint holder

If a member who owns shares jointly dies, the company recognises only the surviving joint holders as being entitled to the deceased member's interest in the shares. The estate of the deceased member is not released from any liability for the shares.

14.2 Death of sole holder

(a) If a member who does not own shares jointly dies, the company recognises only the personal representative of a deceased member as being entitled to the deceased member's interest in the shares. If the personal representative gives the directors the information they reasonably require to establish the representative's entitlement to be registered as holder of the shares:

(i) the personal representative may:

(A) by giving a written and signed notice to the company, elect to be registered as the holder of the shares; or

(B) by giving a completed transfer form to the company, transfer the shares to another person; and

(ii) the personal representative is entitled, whether or not registered as the holder of shares, to the same rights as the deceased member.

(b) On receiving an election under rule 14.2(a)(i)(A), the company must register the personal representative as the holder of the shares. A transfer under rule 14.2(a)(i)(B) is subject to the rules that apply to transfers generally.

14.3 Other transmission events

If a person entitled to shares because of:

(a) the bankruptcy of a member;

(b) the mental incapacity of a member; or

(c) the insolvency of a member,

gives the directors the information they reasonably require to establish the person's entitlement to be registered as holder of the shares, the person may:

(d) by giving a written and signed notice to the company, elect to be registered as the holder of the shares; or

(e) by giving a completed transfer form to the company, transfer the shares to another person,

subject to any law which regulates the relevant event.

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14.4 Other rules

(a) The directors may register a transfer of shares signed by a member before an event set out in this rule occurs even though the company has notice of the relevant event.

(b) The provisions of this constitution about the right to transfer shares and the registration of share transfers apply, so far as they can and with any necessary changes, to a notice or transfer under this rule as if the relevant event had not occurred and the notice or transfer were signed or effected by the registered holder of the share.

(c) Where two or more persons are jointly entitled to a share because of an event described in this rule they are, on being registered as the holders of the share, taken to hold the share as joint tenants and rule 4.1 applies to them.

15 Proportional takeover bids

15.1 Definitions

In this rule:

Term	Definition
Approving Resolution	means a resolution to approve the Proportional Takeover Bid passed in accordance with rule 15.3.
Approving Resolution Deadline	means the day that is 14 days before the last day of the bid period, during which the offers under the Proportional Takeover Bid remain open or a later day allowed by the Australian Securities and Investments Commission.
Proportional Takeover Bid	means a takeover bid that is made or purports to be made under section 618(1)(b) Corporations Act for securities included in a class of securities in the company.
Relevant Class	means the class of securities in the company in respect of which offers are made under the Proportional Takeover Bid.

15.2 Transfers not to be registered

Despite rules 12.2(c) and 12.3, a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover Bid must not be registered unless an Approving Resolution has been passed or is taken to have been passed under rule 15.3.

15.3 Approving Resolution

(a) Where offers have been made under a Proportional Takeover Bid, the directors must, before the Approving Resolution Deadline:

(i) convene a meeting of the persons entitled to vote on the Approving Resolution for the purpose of approving the Proportional Takeover Bid; and

(ii) ensure that the resolution is voted on under rule 15.3.

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(b) The provisions of this constitution about general meetings apply, modified as the circumstances require, to a meeting that is convened under rule 15.3(a), as if that meeting were a general meeting of the company.

(c) The bidder under a Proportional Takeover Bid and any associates of the bidder are not entitled to vote on the Approving Resolution and if they do vote, their votes must not be counted.

(d) Subject to rule 15.3(c), a person who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held securities of the Relevant Class, is entitled to vote on the Approving Resolution for the Proportional Takeover Bid.

(e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.

(f) If an Approving Resolution has not been voted on under rule 15.3 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution is taken to have been passed under rule 15.3 on the Approving Resolution Deadline.

15.4 Sunset

Rules 15.1, 15.2 and 15.3 cease to have effect on the third anniversary of the later of the date of adoption or last renewal of rule 15 under the Corporations Act.

16 General meetings

16.1 Calling general meetings

A general meeting may only be called:

(a) by a directors' resolution; or

(b) as otherwise provided in the Corporations Act.

16.2 Postponing or cancelling a meeting

(a) The directors may, by notice to the Exchange:

(i) postpone a meeting of members;

(ii) cancel a meeting of members; or

(iii) change the place for a general meeting,

if they consider that the meeting has become unnecessary, or the venue would be unreasonable or impractical or a change is necessary in the interests of conducting the meeting efficiently.

(b) A meeting which is not called by a directors' resolution and is called under a members' requisition under the Corporations Act may not be postponed or cancelled without the prior written consent of the persons who called or requisitioned the meeting.

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16.3 Notice of general meetings

(a) Notice of a general meeting must be given to each person who at the time of giving the notice:

(i) is a member, director or auditor of the company; or

(ii) is entitled to a share because of an event described in rule 14 and has satisfied the directors of his or her right to be registered as the holder of, or to transfer, the shares.

(b) The directors may decide the content of a notice of a general meeting, but they must state the general nature of the business to be transacted at the meeting and any other matters required by the Corporations Act.

(c) Unless the Corporations Act provides otherwise:

(i) no business may be transacted at a general meeting unless the general nature of the business is stated in the notice calling the meeting; and

(ii) except with the approval of the directors or the chairman, no person may move any amendment to a proposed resolution the terms of which are set out in the notice calling the meeting or to a document which relates to that resolution and a copy of which has been made available to members to inspect or obtain.

(d) A person may waive notice of any general meeting by written notice to the company.

16.4 Non-receipt of notice

(a) Subject to the Corporations Act, the:

(i) non-receipt of a notice of any general meeting by; or

(ii) accidental omission to give notice to,

any person entitled to notice does not invalidate anything done (including the passing of a resolution) at that meeting.

(b) A person's attendance at a general meeting waives any objection that person may have to:

(i) a failure to give notice, or the giving of a defective notice, of the meeting unless the person at the beginning of the meeting objects to the holding of the meeting; and

(ii) the consideration of a particular matter at the meeting which is not within the business referred to in the notice of the meeting, unless the person objects to considering the matter when it is presented.

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16.5 Admission to general meetings

(a) The chairman of a general meeting may refuse admission to, or require to leave and remain out of, the meeting any person:

(i) in possession of a pictorial-recording or sound-recording device;

(ii) in possession of a placard or banner;

(iii) in possession of an article considered by the chairman to be dangerous, offensive or liable to cause disruption;

(iv) who refuses to produce or permit examination of any article, or the contents of any article, in the person's possession;

(v) who behaves or threatens to behave in a dangerous, offensive or disruptive way; or

(vi) who is not entitled to receive notice of the meeting.

(b) The chairman may delegate the powers conferred by this rule to any person.

(c) A person, whether a member or not, requested by the directors or the chairman to attend a general meeting is entitled to be present and, at the request of the chairman, to speak at the meeting.

16.6 Multiple venues

(a) If the chairman of a general meeting considers that there is not enough room for the members who wish to attend the meeting, they may arrange for any person whom they consider cannot be seated in the main meeting room to observe or attend the general meeting in a separate room. Even if the members present in the separate room are not able to participate in the conduct of the meeting, the meeting is nevertheless treated as validly held in the main room.

(b) If a separate meeting place is linked to the main place of a general meeting by an instantaneous audio-visual communication device which, by itself or in conjunction with other arrangements:

(i) gives the general body of members in the separate meeting place a reasonable opportunity to participate in proceedings in the main place;

(ii) enables the chairman to be aware of proceedings in the other place; and

(iii) enables the members in the separate meeting place to vote on a show of hands or on a poll,

a member present at the separate meeting place is taken to be present at the general meeting and entitled to exercise all rights as if he or she was present at the main place.

(c) If, before or during the meeting, any technical difficulty occurs where one or more of the matters set out in rule 16.6(b) is not satisfied, the chairman may:

(i) adjourn the meeting until the difficulty is remedied; or

(ii) continue to hold the meeting in the main place (and any other place which is linked under rule 16.6(b)) and transact business, and no member may object to the meeting being held or continuing.

(d) Nothing in rule 16.6 or rule 16.10 is to be taken to limit the powers conferred on the chairman by law.

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16.7 Quorum at general meetings

(a) No business may be transacted at a general meeting, except the election of a chairman and the adjournment of the meeting, unless a quorum of members is present when the meeting proceeds to business.

(b) A quorum is two or more members present at the meeting and entitled to vote on a resolution at the meeting.

(c) If a quorum is not present within 30 minutes after the time appointed for the general meeting:

(i) where the meeting was called at the request of members, the meeting must be dissolved; or

(ii) in any other case:

(A) the meeting stands adjourned to the day, and at the time and place, the directors present decide; or

(B) if they do not make a decision, to the same day in the next week at the same time and place.

(d) At an adjourned meeting, if a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting must be dissolved.

16.8 Chairman of general meetings

(a) The chairman of the board is entitled to take the chair at every general meeting.

(b) If at any general meeting:

(i) the chairman of the board is not present at the specified time for holding the meeting; or

(ii) the chairman of the board is present but is unwilling to act as chairman of the meeting,

the deputy chairman of the board is entitled to take the chair at the meeting.

(c) If at any general meeting:

(i) there is no chairman of the board or deputy chairman of the board;

(ii) the chairman of the board and deputy chairman of the board are not present at the specified time for holding the meeting; or

(iii) the chairman of the board and the deputy chairman of the board are present but each is unwilling to act as chairman of the meeting,

the directors present may choose another director as chairman of the meeting and if no director is present or if each of the directors present are unwilling to act as chairman of the meeting, a member chosen by the members present is entitled to take the chair at the meeting.

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16.9 Acting chairman

(a) A chairman of a general meeting may, for any item of business or discrete part of the meeting, vacate the chair in favour of another person nominated by him or her (**Acting Chairman**).

(b) Where an instrument of proxy appoints the chairman as proxy for part of the proceedings for which an Acting Chairman has been nominated, the instrument of proxy is taken to be in favour of the Acting Chairman for the relevant part of the proceedings.

16.10 Conduct at general meetings

The chairman of a general meeting:

(a) has charge of the general conduct of the meeting and the procedures to be adopted at the meeting;

(b) may require the adoption of any procedure which is in the chairman's opinion necessary or desirable for proper and orderly debate or discussion and the proper and orderly casting or recording of votes at the general meeting; and

(c) may, having regard where necessary to the Corporations Act, terminate discussion or debate on any matter whenever the chairman considers it necessary or desirable for the proper conduct of the meeting,

and a decision by the chairman under this rule is final.

16.11 Adjournment and postponement by the chairman

(a) Despite rules 16.2(a) and 16.2(b), where the chairman considers that:

(i) there is not enough room for the number of members who wish to attend the meeting; or

(ii) a postponement is necessary in light of the behaviour of persons present or for any other reason so that the business of the meeting can be properly carried out,

the chairman may postpone the meeting before it has started, whether or not a quorum is present.

(b) A postponement under rule 16.11(a) is to another time, which may be on the same day as the meeting, and may be to another place (and the new time and place is taken to be the time and place for the meeting as if specified in the notice which called the meeting originally).

(c) The chairman may at any time during the course of the meeting:

(i) adjourn the meeting or any business, motion, question or resolution being considered or remaining to be considered by the meeting either to a later time at the same meeting or to an adjourned meeting; and

(ii) for the purpose of allowing any poll to be taken or determined, suspend the proceedings of the meeting for any period or periods he or she decides without effecting an adjournment. No business may be transacted and no discussion may take place during any suspension of proceedings unless the chairman otherwise allows.

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(d) The chairman's rights under rules 16.11(a) and 16.11(c) are exclusive and, unless the chairman requires otherwise, no vote may be taken or demanded by the members present about any postponement, adjournment or suspension of proceedings.

(e) Only unfinished business may be transacted at a meeting resumed after an adjournment.

(f) Where a meeting is postponed or adjourned under rule 16.11, notice of the postponed or adjourned meeting must be given to the Exchange, but, except as provided by rule 16.11(h), need not be given to any other person.

(g) Where a meeting is postponed or adjourned, the directors may, by notice to the Exchange, postpone, cancel or change the place of the postponed or adjourned meeting.

(h) Where a meeting is postponed or adjourned for 30 days or more, notice of the postponed or adjourned meeting must be given as in the case of the original meeting.

16.12 Decisions at general meetings

(a) Except where a resolution requires a special majority, questions arising at a general meeting must be decided by a majority of votes cast by the members present at the meeting. A decision made in this way is for all purposes, a decision of the members.

(b) If the votes are equal on a proposed resolution, the chairman of the meeting has a casting vote, in addition to any deliberative vote.

(c) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is demanded:

(i) before the show of hands is taken;

(ii) before the result of the show of hands is declared; or

(iii) immediately after the result of the show of hands is declared.

16.13 When poll may be demanded

(a) No poll may be demanded on the election of a chairman of a meeting. Otherwise, a poll may be demanded by:

(i) the chairman;

(ii) at least five members entitled to vote on the resolution; or

(iii) by members with at least 5% of the votes that may be cast on the resolution on a poll.

(b) A demand for a poll does not prevent a general meeting continuing to transact any business except the question on which the poll is demanded.

(c) Unless a poll is duly demanded, a declaration by the chairman of a general meeting that a resolution has on a show of hands been carried or carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the company's minute book is conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

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(d) If a poll is duly demanded at a general meeting, it must be taken in the way and either at once or after an interval or adjournment as the chairman of the meeting directs. The result of the poll as declared by the chairman is the resolution of the meeting at which the poll was demanded.

(e) The demand for a poll may be withdrawn with the chairman's consent.

(f) Despite anything to the contrary in this constitution, the directors may decide that, at any general meeting or class meeting, a member who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote for that resolution. A 'direct vote' includes a vote delivered to the company by post, fax or other electronic means approved by the directors. The directors may prescribe regulations, rules and procedures for direct voting, including specifying the form, method and timing of giving a direct vote at a meeting for the vote to be valid.

16.14 Voting rights

(a) Subject to this constitution and to any rights or restrictions attached to any shares or class of shares, at a general meeting:

(i) on a show of hands, each member present has one vote;

(ii) where a member has appointed two persons as proxies for that member, neither proxy may vote on a show of hands;

(iii) where a person is entitled to vote by virtue of rule 17.1 in more than one capacity, that person is entitled only to one vote on a show of hands;

(iv) if the person appointed as proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on a show of hands; and

(v) on a poll, each member present:

(A) has one vote for each fully paid share held; and

(B) has for each share which is not fully paid a fraction of a vote equivalent to the proportion which the amount paid up, but not credited as paid up, on that share bears to the total of the amounts paid and payable (excluding amounts credited) on that share.

(b) The parent or guardian of an infant member may vote at any general meeting upon providing any evidence of the relationship or of the appointment of the guardian as the directors may require and any vote so tendered by a parent or guardian of an infant member must be accepted to the exclusion of the vote of the infant member.

(c) A person entitled to a share because of an event described in rule 14 may vote at a general meeting for that share in the same way as if that person were the registered holder of the share if, at least 48 hours before the meeting (or any shorter time as the directors determine), the directors:

(i) admitted that person's right to vote at that meeting for the share; or

(ii) were satisfied of that person's right to be registered as the holder of, or to transfer, the share.

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Any vote duly tendered by that person must be accepted and the vote of the registered holder of those shares must not be counted.

(d) Where a member holds a share on which a call or other amount payable to the company has not been duly paid:

(i) that member is only entitled to be present at a general meeting and vote if that member holds, as at the Record Time, other shares on which no money is then due and payable; and

(ii) on a poll, that member is not entitled to vote for that share but may vote for any shares that member holds, as at the Record Time, on which no money is then due and payable.

(e) A member is not entitled to vote on a resolution if, under the Corporations Act or the Listing Rules, the notice which called the meeting specified that:

(i) the member must not vote or must abstain from voting on the resolution; or

(ii) a vote on the resolution by the member must be disregarded for any purposes.

(f) If the member referred to in rule 16.14(e) or a person acting as proxy, attorney or Representative of that member does tender a vote on that resolution, their vote must not be counted.

(g) An objection to the validity of a vote tendered at a general meeting must be:

(i) raised before or immediately after the result of the vote is declared; and

(ii) referred to the chairman of the meeting, whose decision is final.

(h) A vote tendered, but not disallowed by the chairman of a meeting under rule 16.14(g), is valid for all purposes, even if it would not otherwise have been valid.

(i) The chairman may decide any difficulty or dispute which arises as to the number of votes which may be cast by or on behalf of any member and the decision of the chairman is final.

16.15 Representation at general meetings

(a) Subject to this constitution, each member entitled to vote at a general meeting may vote:

(i) in person or, where a member is a body corporate, by its Representative;

(ii) by not more than two proxies; or

(iii) by not more than two attorneys.

(b) A proxy, attorney or Representative may, but need not, be a member of the company.

16.16 Class meetings

The provisions of this constitution about general meetings apply, with necessary changes, to separate class meetings as if they were general meetings.

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17 Proxies, attorneys and representatives

17.1 Appointment instruments

(a) An instrument appointing a proxy is valid if it is under the Corporations Act or in any form approved by the directors.

(b) For the purposes of rule 17.1, a proxy appointment received at an electronic address specified in the notice of general meeting for the receipt of proxy appointment or otherwise received by the company under the Corporations Act is taken to have been signed if the appointment:

(i) includes or is accompanied by a personal identification code allocated by the company to the member making the appointment;

(ii) has been authorised by the member in another manner approved by the directors and specified in or with the notice of meeting; or

(iii) is otherwise authenticated under the Corporations Act.

(c) A vote given under an instrument appointing a proxy or attorney is valid despite the transfer of the share for which the instrument was given if the transfer is not registered by the time at which the instrument appointing the proxy or attorney is required to be received under rule 17.1(h).

(d) Unless the instrument or resolution appointing a proxy, attorney or Representative provides otherwise, the proxy, attorney or Representative has the same rights to speak, demand a poll, join in demanding a poll or act generally at the meeting as the member would have had if the member was present.

(e) Unless otherwise provided in the appointment of a proxy, attorney or Representative, an appointment is taken to confer authority:

(i) even though the instrument may refer to specific resolutions and may direct the proxy, attorney or Representative how to vote on those resolutions, to do any of the acts specified in rule 17.1(f); and

(ii) even though the instrument may refer to a specific meeting to be held at a specified time or venue, where the meeting is rescheduled or adjourned to another time or changed to another venue, to attend and vote at the rescheduled or adjourned meeting or at the new venue.

(f) The acts referred to in rule 17.1(e)(i) are:

(i) to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion;

(ii) to vote on any procedural motion, including any motion to elect the chairman, to vacate the chair or to adjourn the meeting; and

(iii) to act generally at the meeting.

(g) A proxy form issued by the company must allow for the insertion of the name of the person to be primarily appointed as proxy and may provide that, in circumstances and on conditions specified in the form that are not inconsistent with this constitution, the chairman of the relevant meeting (or another person specified in the form) is appointed as proxy.

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(h) A proxy or attorney may not vote at a general meeting or adjourned or postponed meeting or on a poll unless the instrument appointing the proxy or attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the company:

(i) at least 48 hours (or, in the case of an adjournment or postponement of a meeting, including an adjourned meeting, any lesser time that the directors or the chairman of the meeting decides) before the time for holding the meeting or adjourned or postponed meeting or taking the poll, as applicable; or

(ii) where rule 17.1(j) applies, any shorter period before the time for holding the meeting or adjourned or postponed meeting or taking the poll, as applicable, as the company determines in its discretion.

A document is received by the company under rule 17.1(h) when it is received under the Corporations Act, and to the extent permitted by the Corporations Act, if the document is produced or the transmission of the document is otherwise verified to the company in the way specified in the notice of meeting.

(i) The company is entitled to clarify with a member any instruction on an appointment of proxy or attorney which is received by the company within a period referred to in rule 17.1(h)(i) or 17.1(h)(ii) as applicable by written or verbal communication. The company, at its discretion, is entitled to amend the contents of any appointment of proxy or attorney to reflect any clarification in instruction and the member at that time is taken to have appointed the company as its attorney for this purpose.

(j) Where an instrument appointing a proxy or attorney has been received by the company within the period specified in rule 17.1(h)(i) and the company considers that the instrument has not been duly signed, the company, in its discretion, may:

(i) return the instrument appointing the proxy or attorney to the appointing member; and

(ii) request that the member duly sign the appointment and return it to the company within the period determined by the company under rule 17.1(h)(ii) and notified to the member.

(k) An instrument appointing a proxy or attorney which is received by the company under rule 17.1(j) is taken to have been validly received by the company.

(l) The appointment of a proxy or attorney is not revoked by the appointer attending and taking part in the general meeting, but if the appointer votes on a resolution, the proxy or attorney is not entitled to vote, and must not vote, as the appointer's proxy or attorney on the resolution.

17.2 More than two current proxies

Where a member appoints two proxies or attorneys to vote at the same general meeting:

(a) if the appointment does not specify the proportion or number of the member's votes each proxy or attorney may exercise, each proxy or attorney may exercise half the member's votes;

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(b) on a show of hands, neither proxy or attorney may vote if more than one proxy or attorney attends; and

(c) on a poll, each proxy or attorney may only exercise votes for those shares or voting rights the proxy or attorney represents.

17.3 Revocation and postponement of the appointment

(a) Unless written notice of the matter has been received at the company's registered office (or at another place specified for lodging an appointment of a proxy or attorney for the meeting) at least 48 hours (or, in the case of an adjournment or postponement of a meeting, any lesser time that the directors or the chairman of the meeting decide) before the time for holding a meeting, adjourned meeting or poll, a vote cast by a proxy or attorney is valid even if, before the vote is cast:

(i) an event described in rule 14 occurs to the member;

(ii) the member revokes the appointment of the proxy or attorney or revokes the authority under which a third party appointed the proxy or attorney; or

(iii) the member has issued a clarifying instruction under rule 17.1(i).

(b) Where authority is given to a proxy, attorney or Representative for a meeting to be held on or before a specified date or at a specified place and that meeting is postponed to a later date or the meeting place is changed, the authority is taken to include authority to act at the rescheduled meeting unless the member granting the authority gives the company notice to the contrary under rule 17.1(h).

17.4 Chairman may make a determination

(a) The chairman of a meeting may:

(i) permit a person claiming to be a Representative to exercise the powers of a Representative, even if the person is unable to establish to the chairman's satisfaction that he or she has been validly appointed; or

(ii) permit the person to exercise those powers on the condition that, if required by the company, he or she produce evidence of the appointment within the time set by the chairman.

(b) The chairman of a meeting may require a person acting as a proxy, attorney or Representative to establish to the chairman's satisfaction that the person is the person duly appointed to act. If the person fails to satisfy the requirement, the chairman may exclude the person from attending or voting at the meeting.

(c) The chairman may delegate his or her powers under rule 17.4 to any person.

18 Direct voting

18.1 Directors may decide direct voting to apply

(a) The directors may determine that members may cast votes to which they are entitled on any or all of the resolutions (including special resolutions) proposed to be considered at, and specified in the notice convening, a meeting of members, by direct vote.

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(b) If the directors decide that votes may be cast by direct vote, the directors may make the regulations they consider appropriate for the casting of direct votes.

18.2 Direct votes only counted on a poll

(a) Direct votes are not counted if a resolution is decided on a show of hands.

(b) Subject to rules 18.3 and 18.4, if a poll is held on a resolution, votes cast by direct vote by a member entitled to vote on the resolution are taken to have been cast on the poll as if the member had cast the votes on the poll at the meeting, and the votes of the member are to be counted accordingly.

(c) A direct vote received by the company on a resolution is taken to be a direct vote on that resolution as amended, if the chairman of the meeting decides this is appropriate.

(d) Receipt of a direct vote from a member has the effect of revoking (or, in the case of a standing appointment, suspending) the appointment of a proxy, attorney or representative made by the member under an instrument received by the company before the direct vote was received.

18.3 Withdrawal of direct vote

(a) A direct vote received by the company:

(i) may be withdrawn by the member by written notice received by the company before the time appointed for the commencement of the meeting (or in the case of any adjournment, the resumption of the meeting); and

(ii) is automatically withdrawn if:

(A) the member attends the meeting in person (including, in the case of a body corporate, by representative);

(B) the company receives from the member a further direct vote or direct votes (in which case the most recent direct vote is, subject to this rule, counted in lieu of the prior direct vote); or

(C) the company receives, after the member's direct vote is received, an instrument under which a proxy, attorney or representative is appointed to act for the member at the meeting under rule 17.1(h).

(b) A direct vote withdrawn under this rule is not counted.

18.4 Vote not affected by death, etc. of a member

A direct vote received by the company is valid even if, before the meeting, the member:

(a) dies or becomes mentally incapacitated;

(b) become bankrupt or an insolvent under administration or is wound up; or

(c) where the direct vote is cast on behalf of the member by an attorney, revokes the appointment of the attorney or the authority under which the appointment was made by a third party,

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unless the company has received written notice of the matter before the start or resumption of the meeting at which the vote is cast.

19 Directors

19.1 Number of directors

The minimum number of directors is three. The maximum number of directors is 12 unless the company in general meeting resolves otherwise. The directors may set a maximum number of directors less than current maximum in accordance with the Relevant Law. The directors must not determine a maximum which is less than the number of directors in office at the time the determination takes effect.

19.2 Power to appoint directors

(a) The directors may appoint any individual to be a director, either as an addition to the existing directors or to fill a casual vacancy, but so that the total number of directors does not exceed the maximum number fixed under this constitution.

(b) A director appointed under rule 19.2, who is not a managing director, holds office until the conclusion of the next AGM following his or her appointment.

19.3 Retirement of directors

(a) Where required by the Corporations Act or Listing Rules to do so, the company must hold an election of directors each year. If there would otherwise not be a vacancy on the board, and no director is required to retire under rules 19.2(b) or 19.3(b), then the director who has been longest in office since last being elected must retire.

(b) No director who is not a managing director may hold office without re-election beyond the third AGM following the meeting at which the director was last elected or re-elected.

(c) If there is more than one managing director, only one of them, nominated by the directors, is entitled not to be subject to vacation of office under rule 19.2(b) or retirement under rule 19.3.

(d) The directors to retire under rule 19.3 are those directors or director longest in office since last being elected. As between directors who were elected on the same day the directors to retire are (in default of agreement between them) determined by ballot. The length of time a director has been in office is calculated from the director's last election or appointment.

(e) The directors to retire under rule 19.3 (both as to number and identity) is decided having regard to the composition of the board of directors at the date of the notice calling the AGM. A director is not required to retire and is not relieved from retiring because of a change in the number or identity of the directors after the date of the notice but before the meeting closes.

(f) The company may by resolution at an AGM fill an office vacated by a director under rules 19.2(b) or 19.3 by electing or re-electing an eligible person to that office.

(g) The retirement of a director from office under this constitution and the re-election of a director or the election of another person to that office (as the case may be) takes effect at the conclusion of the meeting at which the retirement and re-election or election occurs.

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(h) A person is eligible for election to the office of a director at a general meeting only if:

(i) the person is in office as a director immediately before that meeting;

(ii) the person has been nominated by the directors for election at that meeting; or

(iii) where a person, or some member intending to nominate the person, has given written notice signed by the nominee giving consent to the nomination and signifying either candidature for the office or the intention of the member to nominate the nominee.

(i) To be a valid notice under rule 19.3(h)(iii), the notice is required to be left at the company's registered office not less than the period permitted by the Relevant Law, before the meeting.

(j) A partner, employer or employee of an auditor of the company may not be appointed or elected as a director.

19.4 Vacating office

In addition to the circumstances prescribed by the Corporations Act and this constitution, the office of a director becomes vacant if the director:

(a) becomes an insolvent under administration, suspends payment generally to creditors or compounds with or assigns the director's estate for the benefit of creditors;

(b) becomes a person of unsound mind or a person who is a patient under laws relating to mental health or whose estate is administered under laws about mental health;

(c) is absent from meetings of the directors during a period of three consecutive calendar months without leave of absence from the directors where the directors have not, within 14 days of having been served by the secretary with a notice giving particulars of the absence, resolved that leave of absence be granted;

(d) resigns office by written notice to the company;

(e) is removed from office under the Corporations Act;

(f) is prohibited from being a director by reason of the operation of the Corporations Act; or

(g) is convicted on indictment of an offence and the directors do not within one month after that conviction resolve to confirm the director's appointment or election (as the case may be) to the office of director.

19.5 Remuneration

(a) Each director is entitled to remuneration from the company for his or her services as a director as the directors decide but the total amount given to all directors for their services as directors must not exceed in aggregate in any financial year the amount fixed by the company in general meeting.

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(b) When calculating a director's remuneration for the purposes of rule 19.5(a), any amount paid by the company or related body corporate:

(i) to a superannuation, retirement or pension fund for a director so that the company is not liable to pay the superannuation guarantee charge or similar statutory charge is to be included; and

(ii) for any insurance premium paid or agreed to be paid for a director under rule 24.4 is to be excluded.

(c) Remuneration under rule 19.5(a) may be given in the manner that the directors decide, including by way of non cash benefit, such as a contribution to a superannuation fund.

(d) The remuneration under rule 19.5(a) is taken to accrue from day to day.

(e) The remuneration of a director (who is not a managing director or an executive director) must not include a commission on, or a percentage of, profits or operating revenue.

(f) The directors are entitled to be paid all travelling and other expenses they incur in attending to the company's affairs, including attending and returning from general meetings of the company or meetings of the directors or of committees of the directors.

(g) Any director who devotes special attention to the business of the company, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, or who at the request of the directors engages in any journey on the business of the company, may be paid extra remuneration as determined by the directors. Any amount paid does not form part of the aggregate remuneration permitted under rule 19.5(a).

(h) If a director is also an officer of the company or of a related body corporate in a capacity other than director, any remuneration that director may receive for acting as that officer may be either in addition to or instead of that director's remuneration under rule 19.5(a).

(i) The company may, subject to the Relevant Law, pay, provide or make any payment or other benefit to a director, a director of a related body corporate of the company or any other person in connection with that person's or someone else's retirement, resignation from or loss of office, or death while in office.

(j) The directors may establish or support, or assist in the establishment or support, of funds and trusts to provide pension, retirement, superannuation or similar payments or benefits to or for the directors or former directors and grant pensions and allowances to those persons or their dependants either by periodic payment or a lump sum.

19.6 Director need not be a member

(a) A director is not required to hold any shares in the company to qualify for appointment.

(b) A director is entitled to attend and speak at general meetings and at meetings of the holders of a class of shares, even if he or she is not a member or a holder of shares in the relevant class.

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19.7 Directors interests

(a) A director is not disqualified by reason only of being a director (or the fiduciary obligations arising from that office) from:

(i) holding an office (except auditor) or place of profit or employment in the company or a related body corporate of the company;

(ii) holding an office or place of profit or employment in any other company, body corporate, trust or entity promoted by the company or in which it has interest;

(iii) being a member, creditor or otherwise being interested in any body corporate (including the company), partnership or entity, except as auditor of the company;

(iv) entering into any agreement or arrangement with the company; or

(v) acting in a professional capacity (or being a member of a firm which acts in a professional capacity) for the company, except as auditor of the company.

(b) Each director must comply with the Relevant Law on the disclosure of the director's interests.

(c) The directors may make regulations requiring the disclosure of interests that a director, and any person taken by the directors to be related to or associated with the director, may have in any matter concerning the company or a related body corporate. Any regulations made under this constitution bind all directors.

(d) No act, transaction, agreement, instrument, resolution or other thing is invalid or voidable only because a person fails to comply with any regulation made under rule 19.7(c).

(e) A director who has a material personal interest in a matter that is being considered by the directors must not be present at a meeting while the matter is being considered nor vote on the matter, except where permitted by the Corporations Act.

(f) If a director has an interest in a matter, then subject to rules 19.7(c), 19.7(g) and the constitution:

(i) that director may be counted in a quorum at the board meeting that considers the matter that relates to the interest provided that director is entitled to vote on at least one of the resolutions to be proposed at the meeting;

(ii) that director may participate in and vote on matters that relate to the interest;

(iii) the company can proceed with any transaction that relates to the interest and the director may participate in the execution of any relevant document by or on behalf of the company;

(iv) the director may retain the benefits under the transaction that relates to the interest even though the director has the interest; and

(v) the company cannot avoid any transaction that relates to the interest merely because of the existence of the interest.

(g) If an interest of a director is required to be disclosed under rule 19.7(b), rule 19.7(f)(iv) applies only if the interest is disclosed before the transaction is entered into.

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(h) A contract or arrangement entered into by or on behalf of the company in which a director is in any way interested is not invalid or voidable merely because the director holds office as a director or because of the fiduciary obligations arising from that office.

(i) A director who is interested in any arrangement involving the company is not liable to account to the company for any profit realised under the arrangement merely because the director holds office as a director or because of the fiduciary obligations arising from that office, if the director complies with the disclosure requirements applicable to the director under rule 19.7(a) and under the Corporations Act about that interest.

(j) A director who is interested in any contract or arrangement may, despite that interest, witness the fixing of the company seal to any document evidencing or otherwise connected with that contract or arrangement.

20 Powers and duties of directors

20.1 General powers

The directors are responsible for managing the business of the company and may exercise all powers and do all things that are within the company's power and are not expressly required by the Corporations Act or this constitution to be exercised by the company in a general meeting.

20.2 Power to borrow and give security

(a) The directors may exercise all the powers of the company:

(i) to borrow or raise money in any other way;

(ii) to charge any of the company's property or business or any of its uncalled capital; and

(iii) to issue debentures or give any security for a debt, liability or obligation of the company or of any other person.

(b) Debentures or other securities may be issued on the terms and at prices decided by the directors, including bearing interest or not, with rights to subscribe for, or exchange into, shares or other securities in the company or a related body corporate or with special privileges as to redemption, participating in share issues, attending and voting at general meetings and appointing directors.

(c) The directors may decide how cheques, promissory notes, banker's drafts, bills of exchange or other negotiable instruments must be signed, drawn, accepted, endorsed or otherwise executed, as applicable, by or on behalf of the company.

20.3 Powers of appointment

The directors may:

(a) appoint or employ any person as an officer, agent or attorney of the company for the purposes, with the powers, discretions and duties (including powers, discretions and duties vested in or exercisable by the directors), for any period and on any other conditions they decide;

(b) authorise an officer, agent or attorney to delegate any of the powers, discretions and duties vested in the officer, agent or attorney; and

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(c) remove or dismiss any officer, agent or attorney of the company at any time, with or without cause.

21 Proceedings of directors meetings

21.1 Meetings of directors

(a) The directors may meet together to attend to business and adjourn and otherwise regulate their meetings as they decide.

(b) The contemporaneous linking together by telephone or other electronic means of a sufficient number of directors to constitute a quorum, constitutes a meeting of the directors. All the provisions in this constitution relating to meetings of the directors apply, as far as they can and with any necessary changes, to meetings of the directors by telephone or other electronic means.

(c) A meeting by telephone or other electronic means is to be taken to be held at the place where the chairman of the meeting is or at any other place the chairman of the meeting decides on, if at least one of the directors involved was at that place for the duration of the meeting.

(d) A director taking part in a meeting by telephone or other electronic means is to be taken to be present in person at the meeting.

(e) If, before or during the meeting, any technical difficulty occurs where one or more directors cease to participate, the chairman may adjourn the meeting until the difficulty is remedied or may, where a quorum of directors remains present, continue with the meeting.

21.2 Calling meetings of directors

(a) A director may, whenever the director thinks fit, call a meeting of the directors.

(b) A secretary must, if requested by a director, call a meeting of the directors.

21.3 Notice of meetings of directors

(a) Notice of a meeting of directors must be given to each person who is, at the time the notice is given:

(i) a director, except a director on leave of absence approved by the directors; or

(ii) an alternate director appointed under rule 22 by a director on leave of absence approved by the directors.

(b) A notice of a meeting of directors:

(i) must specify the time and place of the meeting;

(ii) need not state the nature of the business to be transacted at the meeting;

(iii) may, if necessary, be given immediately before the meeting;

(iv) may be given in person or by post or by telephone, fax or other electronic means; and

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(v) is taken to have been given to an alternate director if it is given to the director who appointed that alternate director.

(c) A director or alternate director may waive notice of a meeting of directors by giving notice to that effect in person or by post or by telephone, fax or other electronic means.

(d) Failure to give a director or alternate director notice of a meeting of directors does not invalidate anything done or any resolution passed at the meeting if:

(i) the failure occurred by accident or inadvertent error; or

(ii) the director or alternate director attended the meeting or waived notice of the meeting (whether before or after the meeting).

(e) A person who attends a meeting of directors waives any objection that person may have to a failure to give notice of the meeting.

21.4 Quorum at meetings of directors

(a) No business may be transacted at a meeting of directors unless a quorum of directors is present at the time the business is dealt with.

(b) Unless the directors decide otherwise, two directors constitute a quorum.

(c) If there is a vacancy in the office of a director, the remaining directors may act. But, if their number is not sufficient to constitute a quorum, they may act only in an emergency or to increase the number of directors to a number sufficient to constitute a quorum or to call a general meeting of the company.

21.5 Chairman and deputy chairman of directors

(a) The directors may elect, for any period they decide:

(i) a director to the office of chairman of directors; and

(ii) may elect one or more directors to the office of deputy chairman of directors.

(b) The office of chairman of directors or deputy chairman of directors may, if the directors so resolve, be treated as an extra service or special exertion performed by the director holding that office for the purposes of rule 19.5(g).

(c) The chairman of directors is entitled (if present within ten minutes after the time appointed for the meeting and willing to act) to preside as chairman at a meeting of directors.

(d) If at a meeting of directors:

(i) there is no chairman of directors;

(ii) the chairman of directors is not present within ten minutes after the time appointed for the holding of the meeting; or

(iii) the chairman of directors is present within that time but is not willing or declines to act as chairman of the meeting,

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the deputy chairman if any, if then present and willing to act, is entitled to be chairman of the meeting or if the deputy chairman is not present or is unwilling or declines to act as chairman of the meeting, the directors present must elect one of themselves to chair the meeting.

21.6 Decisions of directors

(a) The directors, at a meeting at which a quorum is present, may exercise any authorities, powers and discretions vested in or exercisable by the directors under this constitution.

(b) Questions arising at a meeting of directors must be decided by a majority of votes cast by the directors present and entitled to vote on the matter.

(c) Subject to rule 21.6(d), if the votes are equal on a proposed resolution, the chairman of the meeting has a casting vote, in addition to his or her deliberative vote.

(d) Where only two directors are present or entitled to vote at a meeting of directors and the votes are equal on a proposed resolution:

(i) the chairman of the meeting does not have a second or casting vote; and

(ii) the proposed resolution is taken as lost.

21.7 Written resolutions

(a) A resolution in writing of which notice has been given to all directors and which is signed or consented to by all of the directors entitled to vote on the resolution is as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted and may consist of several documents in the same form, each signed or consented to be one or more of the directors.

(b) A director may consent to a resolution by:

(i) signing the document containing the resolution (or a copy of that document);

(ii) giving to the company a written notice (including by fax or other electronic means) addressed to the secretary or to the chairman of directors signifying assent to the resolution and either setting out its terms or otherwise clearly identifying them; or

(iii) telephoning the secretary or the chairman of directors and signifying assent to the resolution and clearly identifying its terms.

22 Alternate directors

22.1 Director may appoint alternate director

(a) A director may, with the approval of a majority of the other directors, appoint a person to be the director's alternate director for any period the director decides.

(b) The appointment must be in writing and signed, and takes effect immediately upon the company receiving written notice of the appointment.

(c) An alternate director may, but need not, be a member or a director of the company.

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(d) One person may act as alternate director to more than one director.

22.2 Conditions of office of alternate director

(a) In the absence of the appointer, an alternate director:

(i) may exercise any powers (except the power to appoint an alternate director) that the appointer may exercise;

(ii) if the appointer does not attend a meeting of directors, attend and vote in place of and on behalf of the appointer;

(iii) is entitled to a separate vote for each director the alternate director represents in addition to any vote the alternate director may have as a director in his or her own right; and

(iv) when acting as a director, is responsible to the company for his or her own acts and defaults and is not to be taken to be the agent of the director by whom he or she was appointed.

(b) The office of an alternate director is vacated if and when the appointer vacates office as a director.

(c) The appointment of an alternate director may be terminated or suspended at any time by the appointer or by a majority of the other directors.

(d) The termination or suspension of an appointment of an alternate director, must be in writing and signed and takes effect only when the company has received written notice of the termination or suspension.

(e) An alternate director is not to be taken into account in determining the minimum or maximum number of directors allowed or the rotation of directors under this constitution.

(f) In determining whether a quorum is present at a meeting of directors, an alternate director who attends the meeting is to be counted as a director for each director on whose behalf the alternate director is attending the meeting.

(g) An alternate director is not entitled to receive any remuneration as a director from the company except from out of the remuneration of the director appointing the alternate director but is entitled to travelling, hotel and other expenses reasonably incurred for the purpose of attending any meeting of directors at which the appointer is not present.

22.3 Committees of directors

(a) The directors may delegate their powers to a committee of directors.

(b) The committee must exercise the powers delegated in accordance with any directions of the directors.

(c) The provisions of this constitution applying to meetings and resolutions of directors apply, so far as they can and with any necessary changes, to meetings and resolutions of a committee of directors, except to the extent they are contrary to any direction given under rule 22.3(b).

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(d) Membership of a committee of directors may, if the directors so resolve, be treated as an extra service or special exertion performed by the directors for the purposes of rule 19.5(g).

22.4 Delegation to a director

(a) The directors may delegate any of their powers to one director.

(b) A director to whom any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors.

(c) The acceptance of a delegation of powers by a director may, if the directors so resolve, be treated as an extra service or special exertion performed by the delegate for the purposes of rule 19.5(g).

22.5 Validity of acts

(a) All acts done at any meeting of the directors or by a committee or by any person acting as a director are, notwithstanding that it is afterwards discovered:

(i) that there was some defect in the appointment of any of the directors; or

(ii) the committee or the person acting as a director or that any of them were disqualified,

valid as if every person had been duly appointed and was qualified and continued to be a director or a member of the committee (as the case may be).

23 Executive officers

23.1 Managing directors and executive directors

(a) The directors may appoint an employee to the office of managing director or executive director, to hold office as director for the period determined at the time of the appointment but not to exceed the term of employment of the employee.

(b) The directors may, subject to the terms of any employment contract between the relevant director and the company or a subsidiary, at any time remove or dismiss the managing director or an executive director from employment with the company, in which case the appointment of that person as a director automatically ceases.

23.2 Secretary

(a) The company must have at least one secretary appointed by the directors.

(b) The directors may suspend or remove a secretary from that office.

23.3 Provisions applicable to all executive officers

(a) A reference in rule 23.3 to an executive officer is a reference to a managing director, deputy managing director, executive director, associate director, secretary or assistant secretary appointed under this rule.

(b) The appointment of an executive officer may be for a period, at the remuneration and on the conditions the directors decide.

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(c) The remuneration payable by the company to an executive officer must not include a commission on, or percentage of, operating revenue.

(d) The directors may:

(i) delegate to an executive officer any powers, discretions and duties they decide;

(ii) withdraw, suspend or vary any of the powers, discretions and duties given to an executive officer; and

(iii) authorise the executive officer to delegate any of the powers, discretions and duties given to the executive officer.

(e) An act done by a person acting as an executive officer is not invalidated by:

(i) a defect in the person's appointment as an executive officer;

(ii) the person being disqualified to be an executive officer; or

(iii) the person having vacated office,

if the person did not know that circumstance when the act was done.

24 Indemnity and insurance

24.1 Officer's right of indemnity

Rules 24.2 and 24.4 apply:

(a) to each person who is or has been a director, alternate director or executive officer (within the meaning of rule 23.3(a)) of the company;

(b) to any other officers or former officers of the company or of its related bodies corporate as the directors in each case determine; and

(c) if the directors so determine, to any auditor or former auditor of the company or of its related bodies corporate,

(each an **Officer** for the purposes of this rule).

24.2 Indemnity

The company must indemnify each Officer on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses (**Liabilities**) incurred by the Officer as an officer of the company or of a related body corporate.

24.3 Scope of indemnity

The indemnity in rule 24.2:

(a) does not operate in respect of any Liability of the Officer to the extent that Liability is covered by insurance;

(b) is enforceable without the Officer having to first incur any expense or make any payment; and

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(c) is a continuing obligation and is enforceable by the Officer even though the Officer may have ceased to be an officer or auditor of the company or its related bodies corporate.

24.4 Insurance

The company may, to the extent the law permits:

(a) purchase and maintain insurance; or

(b) pay or agree to pay a premium for insurance,

for each Officer against any Liability incurred by the Officer as an officer or auditor of the company or of a related body corporate including, but not limited to:

(c) costs and expenses in defending any proceedings, whether civil or criminal, whatever their outcome; or

(d) a Liability arising from negligence or other conduct.

24.5 Savings

Nothing in rule 24.2 or 24.4:

(a) affects any other right or remedy that a person to whom those rules apply may have in respect of any Liability referred to in those rules;

(b) limits the capacity of the company to indemnify or provide or pay for insurance for any person to whom those rules do not apply; or

(c) limits or diminishes the terms of any indemnity conferred or agreement to indemnify entered into before the adoption of this constitution.

24.6 Contract

The company may enter into an agreement with any Officer to give effect to the rights conferred by this rule or the exercise of a discretion under this rule on any terms as the directors think fit which are not inconsistent with this rule.

25 Dividends

25.1 Payment of dividends

The directors may:

(a) pay any interim and final dividends that, in their judgment, the financial position of the company justifies;

(b) rescind a decision to pay a dividend if they decide, before the payment date, that the company's financial position no longer justifies the payment; and

(c) pay any dividend required to be paid under the terms of issue of a share.

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25.2 Reserves and profits carried forward

(a) The directors may:

(i) set aside out of the company's profits any reserves or provisions they decide;

(ii) appropriate to the company's profits any amount previously set aside as a reserve or provision; or

(iii) carry forward any profits remaining that they consider should not be distributed as dividends or capitalised, without transferring those profits to a reserve or provision.

(b) Setting aside an amount as a reserve or provision does not require the directors to keep the amount separate from the company's other assets or prevent the amount being used in the company's business or being invested as the directors decide.

25.3 Apportionment of dividends

Subject to the terms of issue of any shares or class of shares, dividends must be paid equally on all shares, except partly paid shares, which have an entitlement only to that part of the dividend which is in proportion to the amount paid (not credited) on the share to the total amounts paid and payable (excluding amounts credited). An amount paid in advance of a call under rule 5.8 is taken as not having been paid until it becomes payable.

25.4 Record date

Subject to the Settlement Operating Rules:

(a) the directors may fix a record date for a dividend, with or without suspending the registration of transfers from that date under rule 12.4; and

(b) a dividend must be paid to the person who is registered, or entitled under rule 12.2(c) to be registered, as the holder of the share:

(i) where the directors have fixed a record date for the dividend, on that date; or

(ii) where the directors have not fixed a record date for that dividend, on the date fixed for payment of the dividend,

and a transfer of a share that is not registered, or left with the company for registration under rule 12.2(b), on or before that date is not effective, as against the company, to pass any right to the dividend.

25.5 No interest

Interest is not payable by the company on any dividend.

25.6 Method of payment

(a) The directors may pay dividends by:

(i) cheque sent to the address of the member shown in the register of members, or for joint holders, the first listed name and address;

(ii) by any electronic or other means approved by the directors directly to an account (of a type approved by the directors) nominated in writing by the member or the joint holders; or

(iii) any other method the directors may decide.

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(b) Different methods of payment may apply to different members or groups of members (such as overseas members).

(c) A cheque sent under rule 25.6(a)(i):

(i) may be made payable to bearer or to the order of the member to whom it is sent or any other person the member directs; and

(ii) is sent at the member's risk.

(d) If the directors decide to pay dividends by electronic means under rule 25.6(a)(ii), but:

(i) no account is nominated by the member; or

(ii) an electronic transfer into a nominated account is rejected or refunded,

the company may credit the amount payable to an account of the company to be held until the member nominates a valid account.

(e) Where a member does not have a registered address or the company believes that a member is not known at the member's registered address, the company may credit an amount payable to the member to an account of the company to be held until the member claims the amount or nominates an account into which payment may be made.

(f) An amount credited to an account under rules 25.6(d) or 25.6(e) is to be treated as having been paid to the member at the time it is credited to that account. The company is not a trustee of the money and no interest accrues on the money.

25.7 Retention of dividends

The directors may retain the dividend payable on a share:

(a) where a person is entitled to a share because of an event under rule 14, until that person becomes registered as the holder of that share or transfers it; and

(b) apply it to any amount presently payable by the holder of that share to the company.

25.8 Distribution of specific assets

(a) The directors may distribute specific assets, including paid-up shares or other securities of the company or of another body corporate, either generally or specifically to members as direct payment of the dividend in whole or in part and, if they do so they may:

(i) fix the value of any asset distributed;

(ii) make cash payments to members on the basis of the value fixed or for any other reason so as to adjust the rights of members between themselves; and

(iii) vest an asset in trustees.

(b) Where the company satisfies a dividend by way of distribution of securities of another body corporate, each member is taken to have agreed to become a member of that corporation and to have agreed to be bound by the constitution of that corporation. Each member also appoints each director their agent and attorney to:

(i) agree to the member becoming a member of that corporation;

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(ii) agree to the member being bound by the constitution of that corporation;

(iii) sign any transfer of shares or securities, or other document required to give effect to the distribution of shares or other securities to that member.

25.9 Source of dividends

Subject to the Listing Rules, the directors may pay a dividend to particular members wholly or partly out of any particular fund or reserve or out of profits derived from any particular source, and to the other members wholly or partly out of any other particular fund or reserve or out of profits derived from any other particular source.

25.10 Reinvestment of dividends

Subject to the Listing Rules, the directors may permit the members or any class of members to:

(a) reinvest cash dividends by subscribing for shares or other securities in the company or a related body corporate; and

(b) forgo the right to receive cash dividends and receive instead some other form of distribution of entitlement (including securities),

on any terms the directors think fit.

25.11 Unclaimed dividends

Unclaimed dividends may be invested by the directors as they think fit for the benefit of the company until claimed or until required to be dealt with under the law.

26 Method of payments

26.1 Payment by cheque, electronic or other means

(a) The directors may pay dividends, interest, consideration for a buy-back, proceeds from a sale of shares (including under rule 13) or other money relating to shares by:

(i) cheque sent to the address:

(A) of the member shown in the register of members, or for joint holders, the first listed name and address; or

(B) directed in writing by the member or joint holders;

(ii) by any electronic or other means approved by the directors directly to an account (of a type approved by the directors) nominated in writing by the member or the joint holders; or

(iii) any other method the directors may decide.

(b) Different methods of payment may apply to different members or groups of members (such as overseas members).

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(c) A cheque sent under rule 26.1(a)(i):

(i) may be made payable to bearer or to the order of the member to whom it is sent or any other person the member directs; and

(ii) is sent at the member's risk.

(d) If the directors decide to make a payment by electronic means under rule 26.1(a)(ii), but:

(i) no account is nominated by the member; or

(ii) an electronic transfer into a nominated account is rejected or refunded,

the company may credit the amount payable to an account of the company to be held until the member nominates a valid account and the company may use the amount for its own purposes.

(e) If a member does not have a registered address or the company believes that a member is not known at the member's registered address, the company may credit an amount payable to the member to an account of the company to be held until the member claims the amount or nominates an account into which payment may be made and the company may use the amount for its own purposes.

(f) An amount credited to an account under rules 26.1(d) or 26.1(e) is to be treated as having been paid to the member at the time it is credited to that account. The company is not a trustee of the money and no interest accrues on the money.

26.2 Unclaimed payment

(a) If a cheque for an amount payable under rule 26.1 is not presented for payment within 11 months from issue, or an amount is held in an account of the company under rules 26.1(d) or 26.1(e) for 11 months, the company may use the amount for its own purposes and may stop payment on the cheque.

(b) The company's liability to pay the amount referred to in rule 26.2(a) is discharged by the application of the amount under rule 26.2.

(c) The directors may do anything necessary or desirable (including signing any document) for the member or joint members to give effect to rule 26.2 (a).

(d) The directors may determine further rules to regulate the operation of rule 26.2 and may delegate their powers under rule 26.2 to any person.

27 Capitalising profits

27.1 Capitalisation of reserves and profits

The directors:

(a) may resolve to capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any reserve account or the profit and loss account or otherwise available for distribution to the members; and

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(b) may, but need not, resolve to apply the sum in any of the ways mentioned in rule 27.2, for the benefit of members in the proportions to which those members would have been entitled in a distribution of that sum by way of dividend.

27.2 Applying a sum for the benefit of members

The ways in which a sum may be applied for the benefit of members under rule 27.1 are:

(a) paying up in full, at an issue price decided by the resolution, any unissued shares in or other securities of the company;

(b) paying up any amounts unpaid on shares or other securities held by the members; or

(c) paying up partly as specified in rule 27.2(a) and partly as specified in rule 27.2(b).

27.3 Implementing the resolution

The directors may do all things necessary to give effect to a resolution under rule 27.1, including to enter into an agreement on behalf of any member.

28 Winding up

28.1 Distributing surplus

Subject to this constitution and the terms of issue of any shares or class of shares:

(a) if the company is wound up and the property of the company available for distribution among the members is more than sufficient to pay:

(i) all the debts and liabilities of the company; and

(ii) the costs, charges and expenses of the winding up,

the excess must be divided among the members in proportion to the number of shares held by them, irrespective of the amounts paid or credited as paid on the shares;

(b) for the purpose of calculating the excess referred to in rule 28.1(a), any amount unpaid on a share is to be treated as property of the company;

(c) the amount of the excess that would otherwise be distributed to the holder of a partly paid share under rule 28.1(a) must be reduced by the amount unpaid on that share at the date of the distribution; and

(d) if the effect of the reduction under rule 28.1(c) would be to reduce the distribution to the holder of a partly paid share to a negative amount, the holder must contribute that amount to the company.

28.2 Dividing property

(a) If the company is wound up, the liquidator may, with the sanction of a special resolution:

(i) divide among the members the whole or any part of the company's property; and

(ii) decide how the division is to be carried out as between the members or different classes of members.

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(b) A division under rule 28.2(a) need not accord with the legal rights of the members and, in particular, any class may be given preferential or special rights or may be excluded altogether or in part.

(c) Where a division under rule 28.2(a) does not accord with the legal rights of the members, a member is entitled to dissent and to exercise the same rights as if the special resolution sanctioning that division were a special resolution passed under section 507 Corporations Act.

(d) If any of the property to be divided under rule 28.2(a) includes shares with a liability to calls, any person entitled under the division to any of the shares may, within ten days after the passing of the special resolution referred to in rule 28.2(a), by written notice direct the liquidator to sell the person's proportion of the securities and account for the net proceeds. The liquidator must, if practicable, act accordingly.

(e) Nothing in rule 28.2 takes away from or affects any right to exercise any statutory or other power which would have existed if this rule were omitted.

(f) Rule 27 applies, so far as it can and with any necessary changes, to a division by a liquidator under rule 28.2(a) as if references in rule 27 to:

(i) the directors were references to the liquidator; and

(ii) a distribution or capitalisation were references to the division under rule 28.2(a).

29 Inspection of records

29.1 Inspection by member

Except as provided by law, this constitution or as authorised by a directors' resolution, a person who is not a director does not have the right to inspect any of the board papers, books, records or documents of the company.

29.2 Access by director

The company may enter into contracts, and procure that its subsidiaries enter into contracts, on any terms the directors think fit, to grant a director or former director continuing access for a specified period after the director ceases to be a director to board papers, books, records and documents of the company which relate to the period during which the director or former director was a director of the company.

30 Seals

30.1 Safe custody of seal

The company may have a common seal, in which case the directors must provide for the safe custody of the seal and any duplicate common seal.

30.2 Use of seal

If the company has a common seal or duplicate common seal:

(a) it may only be used with the authority of the directors; and

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(b) every document to which it is affixed must be signed by a director and countersigned by:

(i) a second director;

(ii) the secretary; or

(iii) by a person appointed by the directors for the purpose.

31 Notices

31.1 Method of service

(a) The company may give a notice to a member by:

(i) delivering it personally;

(ii) sending it by prepaid post to the member's address in the register of members or any other address the member gives the company for notices; or

(iii) sending it by fax or other electronic means to the fax number or electronic address the member gives the company for notices.

(b) A person who becomes entitled to a share registered in the name of a member, is taken to have received every notice which, before that person's name and address is entered in the register of members for those shares, is given to the member under rule 31.1.

(c) Where a member does not have a registered address or where the company believes that member is not known at the member's registered address, all notices are taken to be:

(i) given to the member if the notice is exhibited in the company's registered office for a period of 48 hours; and

(ii) served at the commencement of that period,

unless and until the member informs the company of the member's address.

31.2 Time of service

(a) A notice from the company properly addressed and posted is taken to be given and received on the day after the day of its posting.

(b) A notice sent or given by fax or other electronic transmission:

(i) is taken to be effected by properly addressing and transmitting the fax or other electronic transmission; and

(ii) is taken to have been given and received on the day of its transmission.

(c) Where a given number of days' notice or notice extending over any other period must be given, the day of service is not to be counted in the number of days or other period.

31.3 Evidence of service

A certificate signed by a director or secretary stating that a notice has been given under this constitution is conclusive evidence of that fact.

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31.4 Joint holders

A notice may be given by the company to the joint holders of a share by giving it to the joint holder first named in the register of members for the share.

31.5 Other communications and documents

Rules 31.1 to 31.4 (inclusive) apply, so far as they can and with any necessary changes, to serving any communication or document.

32 General

32.1 Submission to jurisdiction

Each member submits to the non-exclusive jurisdiction of the Supreme Court of the state or territory in which the company is taken to be registered for the purposes of the Corporations Act, the Federal Court of Australia and the courts which may hear appeals from those courts.

32.2 Prohibition and enforceability

Any part of this constitution which is prohibited on unenforceable in any place is, in that place, ineffective only to the extent of that prohibition or unenforceability.

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Exhibit 4.1

Deed of access, insurance and indemnity

NOVONIX Limited ACN 157 690 830

Trevor St Baker

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Deed of access, insurance and indemnity

Dated

Parties

Company	**NOVONIX Limited CAN 157 690 830** of Level 8, 46 Edward Street, Brisbane Queensland 4000
Director	**Trevor St Baker** of 22 Sandford Street, St Lucia Queensland 4067

Background

A The Director is a director of the Company.

B The Company agrees to:

(i) indemnify the Director to the extent permitted by law against Liabilities and legal costs incurred by the Director in, or because of acting in, any Capacity;

(ii) maintain, and pay the premium on, a D&O Policy covering the Director;

(iii) maintain a copy of all Board Papers; and

(iv) give the Director access to the Board Papers and other documents of the Company,

during the time that the Director holds office and for a seven year period after the Director ceases to be an officer of the Company, on the terms in this document.

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
Authorised Person	means any person authorised in writing by the Director and approved by the Company.
Board	*means:* (a) *the board of directors of the Company; or* (b) *any committee of the board of directors of the Company.*

Term	Definition
Board Papers	means all documents recording or giving information for the Board, brought into existence or available to the Director while the Director held office.
Books	has the meaning given to that term in section 9 Corporations Act.
Business Day	means a day that is not a Saturday, Sunday or public holiday in Brisbane, Queensland.
Business Hours	means from 9.00am to 5.00pm (Brisbane time) on a Business Day.
Capacity	means the capacity of the Director in the Company, including as a director and officer of the Company.
Claim	means: (a) any: (i) legal proceeding (whether civil or criminal), administrative proceeding, arbitral proceeding, mediation or other form of alternative dispute resolution (whether or not held in conjunction with any legal, administrative or arbitral proceeding); or (ii) investigation or inquiry by any Government Agency or External Administrator, about or arising out of any actual or alleged act or omission of the Director in any Capacity; or (b) any written or oral threat, complaint, demand or other circumstance that might reasonably cause the Director to believe that any proceedings, investigation or inquiry referred to in paragraph (a) above will be initiated.
Corporations Act	means *Corporations Act 2001* (Cth).
D&O Policy	means a contract or contracts: (a) insuring against Liabilities incurred by a person in the person's capacity as director or officer of the Company; or (b) allowing the Company to obtain reimbursement for claims paid by it to a director or officer of the Company under an indemnity.
External Administrator	means any liquidator, provisional liquidator, external controller or administrator.
GST	has the meaning given to that term in the GST Act.
GST Act	means *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
Government Agency	means: (a) a government or government department or other body; (b) a governmental, semi-governmental or judicial person; or

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Term	Definition
	(c) a person (whether autonomous or not) who is charged with the administration of a law.
Information	means information about a transaction of the Company, a Board Paper or a discussion at a meeting of the Company.
Liabilities	means all liabilities, losses, claims, action, suit, demand, proceedings, notice, litigation, investigation, judgment, damages, outgoings, costs or expenses of any description (including penalties, fines and interest) whether based in contract, tort (including negligence) or otherwise under statute, and whether present, anticipated, contingent or prospective, and including those the amount of which for the time being is not ascertained or ascertainable.
Notified Claim	means a Claim for which the Director has given notice to the Company under clause 3.1.
Objection Notice	has the meaning set out in clause 3.6(a).
Permitted Purpose	has the meaning set out in clause 6.2.
Privileged Document	means Books or Board Papers to which any form of legal privilege applies.
Progressive or Periodic Supply	means a Taxable Supply that satisfies the requirements of section 156-5 GST Act.
Related Body Corporate	has the meaning given to that term by section 9 Corporations Act.
Relevant Costs	has the meaning set out in clause 4.5(a).
Relevant Period	means the period: (a) beginning on the date of this document; and (b) ending on the seventh anniversary of the date on which the Director has ceased to be an officer of the Company.
Requested Documents	has the meaning set out in clause 6.3(b).
Settlement Notice	has the meaning set out in clause 3.6(a).
Subsidiary	has the meaning given to that term by section 9 Corporations Act.
Supplier	means the entity making the Supply.
Tax	includes any tax, levy, duty, charge, impost, fee, deduction and withholding however it is described, that is assessed, levied, collected or imposed by law or by a government agency, together with any related interest penalty, fine or other charge, or other amount imposed in respect of any of the above.
Third Party	has the meaning set out in clause 9.

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1.2 Interpretation

In this document:

(a) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;

(b) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;

(c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(d) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;

(e) a reference to this document includes the agreement recorded by this document;

(f) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

(g) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;

(h) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;

(i) a reference to 'month' means calendar month; and

(j) the meaning of any general language is not restricted by any accompanying example, and the words 'includes', 'including', 'such as' or 'for example' (or similar phrases) do not limit what else might be included.

2 Indemnity

2.1 General indemnity

Subject to:

(a) clauses 2.4, 2.5, 2.6 and 8; and

(b) the prohibitions in section 199A Corporations Act,

the Company indemnifies the Director to the extent permitted by law against all Liabilities (other than legal costs referred to in clause 2.2) incurred by the Director acting in any Capacity, including as an authorised representative of the Company.

2.2 Costs indemnity

Subject to:

(a) clauses 2.4, 2.5, 2.6 and 8; and

(b) the prohibitions in section 199A Corporations Act,

the Company indemnifies the Director to the extent permitted by law against all legal costs:

(c) incurred by the Director in defending or resisting (or otherwise in or for) an action against the Director acting in any Capacity; or

(d) for a Liability incurred or allegedly incurred by the Director acting in any Capacity; or

(e) incurred by the Director in starting proceedings to protect the interests of the Company or the Director for acts undertaken by the Director acting in any Capacity.

2.3 Indemnity irrevocable

Subject to clauses 2.5 and 2.6, the indemnity in clauses 2.1 and 2.2 is irrevocable and unconditional.

2.4 Extent of indemnity

Subject to clauses 2.5 and 2.6, the indemnity in clauses 2.1 and 2.2 has effect for acts or omissions (and alleged acts and omissions) of the Director from the date that the Director became an officer of the Company (whether that date is before or after the date of this document), and despite:

(a) the Director ceasing to be an officer of the Company before:

(i) a claim is made by the Director under this document; or

(ii) the Director incurs the Liability or costs for which the Director makes a claim under clause 2;

(b) the settlement of any dispute between the Director and the Company or a third party (including any dispute about whether costs claimed by the Director are reasonable); or

(c) the inability of the Company or any other director to recover under the D&O Policy for any reason.

2.5 Future Liability

The Company may terminate the indemnity for future Liability at any time by giving written notice to the Director of that termination. Termination of the indemnity under clause 2 does not affect the Company's obligations under this document to the date of the notice.

2.6 Recovery under other insurance policies

The indemnity has effect for any Liability or legal costs incurred by the Director in any Capacity only if, and to the extent that, the Director is not indemnified against that Liability or those legal costs by any insurance policy other than the D&O Policy maintained under clause 5.1.

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3 Claim by Director

3.1 Notified Claims

As soon as reasonably practicable after the Director becomes aware of any circumstances that could reasonably be expected to give rise to a claim by the Director under this document, the Director must give to the Company notice in writing of that Claim.

3.2 Defence of legal action

Subject to clauses 3.7 and 3.9, if the Company acknowledges it must indemnify the Director for a Notified Claim, the Company may, or may allow its insurers to:

(a) conduct the defence of the Notified Claim under its sole management, control and cost;

(b) start legal proceedings, including any cross claim or counter claim, in the name of the Director as part of that defence; and

(c) subject to clause 3.6, settle or compromise the Notified Claim.

3.3 Obligations of the Company

If the Company takes any action under clause 3.2, it must, or must get its insurers to:

(a) notify the Director as soon as reasonably practicable of the intention to take action under clause 3.2, setting out the action that the Company or its insurers proposes to take;

(b) retain a lawyer to act for both the Company and the Director;

(c) instruct the lawyer to ensure that legal professional privilege attaches to any documents produced about the Notified Claim for the benefit of the Company and the Director;

(d) keep the Director fully and progressively informed;

(e) regularly consult with the Director;

(f) not unnecessarily injure the reputation of the Director; and

(g) pay the costs of the action the subject of the Notified Claim as they arise, including giving security for costs where ordered.

3.4 Obligations of the Director

Subject to clauses 3.7 and 3.9, if there is a Notified Claim, the Director must:

(a) take reasonable steps to mitigate the Director's losses for that Notified Claim;

(b) give reasonable assistance and cooperation (including giving the Company documents, records, authorities or directions) when reasonably requested by the Company (or its insurers);

(c) do anything reasonably necessary or desirable to enable the Company to be subrogated to and enjoy the benefits of the Director's rights to any cross-claims or any claims against any third party;

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(d) if subrogation of the Director's rights does not happen under clause 3.4(c):

(i) the Director must take all action, upon reasonable request by the Company, to pursue any Claim;

(ii) the Company must pay the legal costs of that Claim and otherwise indemnify the Director against any Liability because of that Claim; and

(iii) the Director must account to the Company for any damages recovered (to a maximum amount equivalent to the indemnity payment made to the Director under clause 2);

(e) not admit any Liability for, settle or compromise the Notified Claim without the prior written consent of the Company (or its insurers); and

(f) keep the Company (or its insurers) fully informed of the status and conduct of that Notified Claim if the Company or its insurers have not assumed conduct of the Notified Claim under clause 3.2.

3.5 Reimbursement

Except as prohibited by law and subject to clause 8, the Company must reimburse the Director for actual costs and expenses reasonably incurred by the Director in taking action or giving assistance or information at the request, or under the direction, of the Company under clause 3.4.

3.6 Settlement of Claims

(a) Before the Company or its insurers settle or compromise a Notified Claim, the Company must, or must get its insurers to, give written notice to the Director **(Settlement Notice)** setting out:

(i) the intention to settle or compromise the Claim;

(ii) the terms of the proposed settlement or compromise; and

(iii) a reasonable period during which the Director may give notice to the Company setting out the Director's intention to assume conduct of the Claim **(Objection Notice).**

(b) If the Director gives an Objection Notice to the Company within the period set out under clause 3.6(a) the Company must, or must get its insurers to, relinquish to the Director control of the conduct of the Notified Claim to the extent that it is about the Director.

(c) If the Director assumes conduct of a Notified Claim under clause 3.6(b), the Liability of the Company for the Notified Claim is limited to the total of:

(i) the amount for which the Notified Claim could have been compromised or settled at the time the Settlement Notice was given to the Director; and

(ii) the costs and expenses reasonably incurred by the Director up until that time.

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3.7 Failure to comply

Despite the indemnity in this document, if the Company is materially prejudiced in a Notified Claim because the Director fails to comply with its obligations under clause 3.4 , the Company is not required to indemnify the Director for that Notified Claim.

3.8 Legal representation

The Director may engage separate legal or other representation for a Notified Claim. The Company must pay expenses incurred by the Director if they are:

(a) incurred before the Company or its insurers assume conduct of the Notified Claim;

(b) incurred with the prior written consent of the Company; or

(c) reasonable and are incurred where there is a reasonable likelihood that the interests of the Director and the Company would conflict if the same lawyer acted for both the Company and the Director.

3.9 Application of clauses 3.2 and 3.4

(a) Nothing in clauses 3.2 or 3.4 allows the Company, or requires the Director, to take any action (including giving any consent) for a Notified Claim that would be likely to cause significant harm to the reputation of the Director except where the Company considers in good faith and on reasonable grounds that the interests of the Company or the conduct of that Claim would be materially prejudiced unless the Company or the Director takes that action.

(b) Clauses 3.2 and 3.4 do not apply if:

(i) the Notified Claim arises from a claim by the Company or a Related Body Corporate of the Company against the Director; or

(ii) both the Director and any one or more of the Company and its Related Bodies Corporate are defendants or respondents to a Claim and, in the reasonable opinion of the Director, there is an actual or potential conflict of interest between the Director and any one or more of the Company and the relevant Related Bodies Corporate of the Company in the conduct of the Claim.

4 Advances and payments

4.1 Payment when Director becomes liable

Subject to clause 8, any money payable by the Company to the Director under this document must be paid within ten Business Days after the Director gives satisfactory evidence to the Company that the Director is entitled to be indemnified under this document for that amount.

4.2 Indemnity before expense incurred

Despite any other provision of this document, it is not necessary for the Director to make any payment before enforcing the Director's rights under this document.

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4.3 Advance defence costs

(a) Subject to clauses 4.5 and 8, the Company must advance to the Director any legal costs reasonably incurred or expected to be incurred by the Director in defending an action for a Liability incurred or allegedly incurred by the Director in any Capacity, within five Business Days after the Director gives the Company invoices or other relevant evidence of the costs incurred.

(b) Funds may be advanced under clause 4.3(a):

(i) on terms which the Company considers to be reasonable; and

(ii) unsecured and free of interest unless the Director ceases to be entitled to be indemnified under this document in which case simple interest may be charged on the funds advanced, from the time the Director ceases to be entitled to be indemnified until the funds advanced are paid in full.

4.4 Taxation

Subject to clause 8, if a Government Agency imposes any Tax on a sum paid to the Director under this document, the Company must pay to the Director an additional amount to ensure that the total amount paid, less any Tax imposed on the total amount, is equal to the amount that would otherwise be payable under this document.

4.5 Repayment

(a) If the Company or any of its Related Bodies Corporate advances money to the Director under clause 4.3 or otherwise pays or reimburses the Director (or any other person) for costs under this document **(Relevant Costs)** and upon the final adjudication of the Claim the Relevant Costs become costs for which the Director is not entitled to be indemnified under this document, the Director must repay the amount and any interest accrued under clause 4.3(b) to the Company or its relevant Related Body Corporate within 60 Business Days after a written request by the Company.

(b) If the Director receives payment for some or all of the Relevant Costs under:

(i) the D&O Policy or any other insurance policy; or

(ii) an indemnity given by a Related Body Corporate of the Company,

the Director must, within ten Business Days after receiving payment under the relevant insurance policy or indemnity, pay to the Company an amount equal to the amount recovered by the Director under the insurance policy or indemnity for the Relevant Costs.

5 Insurance

5.1 Obligation to insure

To the extent permitted by law, and if available in the market at a cost that is not unfairly prejudicial to the Company, the Company must:

(a) at all times during the Relevant Period, maintain and pay the premium on a D&O Policy that complies with clause 5.2; or

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(b) ensure that, at all times during the Relevant Period, a Related Body Corporate of the Company maintains and pays the premium on a D&O Policy that complies with clause 5.2.

5.2 Terms of the D&O Policy

The D&O Policy must:

(a) cover (at least to the extent required by clause 5.2(b)) Liabilities incurred by the Director and the Company under this document for, or arising out of, actual or alleged acts or omissions of the Director that happened while the Director was an officer of the Company;

(b) be for an amount and on terms (including premium, insuring clauses, exclusions and excess amounts) that are appropriate and available in the market for companies with a similar market capitalization, financial status and size and nature of operations to that of the Company;

(c) without limiting clause 5.2(b), at all times be on terms and conditions that, taken as a whole, are not materially less favourable to the Director than the terms of any directors' and officers' insurance policy taken out or made available at the same time by the Company for any other director or former director of the Company; and

(d) not insure the Director against a Liability (other than for legal costs) arising out of:

(i) conduct involving a wilful breach of duty to the Company; or

(ii) a contravention of sections 182 or 183 Corporations Act.

5.3 Notice to Director

The Company must notify the Director immediately if the Company becomes aware that:

(a) the D&O Policy required under clause 5.1 has been cancelled or not renewed;

(b) there is a material diminution in the terms of the D&O Policy maintained under clause 5.1 for the Director; or

(c) the Company ceases to maintain a D&O Policy under clause 5.6.

5.4 Extension of insurance

Before the end of the Relevant Period, the Director may, by written notice to the Company, request that the Company continues to maintain and pay the premium on the D&O Policy required under clause 5.1 for a longer period than the Relevant Period if the Director:

(a) reimburses the Company for premiums payable for the period after the end of the Relevant Period; and

(b) indemnifies the Company against any reasonable costs associated with maintaining the D&O Policy for the Director after the end of the Relevant Period.

5.5 Copies of insurance policies

At the request of the Director, the Company must give the Director a copy of:

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(a) the policy of insurance; and

(b) the certificate of insurance,

for the D&O Policy maintained under clause 5.1 at the time of the request, except if that disclosure would involve a breach of the terms and conditions of the policy.

5.6 Ceasing to maintain the D&O Policy

The Company may cease to maintain the D&O Policy maintained under clause 5.1 if the Company reasonably considers that:

(a) the relevant coverage is no longer available; or

(b) the costs of maintaining the policy, whether generally or for a particular officer of the Company, are so prohibitive that it is no longer in the interests of the Company to maintain the policy.

6 Access to Board Papers

6.1 Obligation of company to keep records

The Company must keep at least one set of Board Papers in a systematic manner, safe and secure from damage, for the Relevant Period and for a longer period if any of the Board Papers are relevant to any Claim notified to the Company by the Director that has not been concluded during the Relevant Period.

6.2 Right to inspect Board Papers

The Company must allow the Director to inspect and copy the Board Papers of the Company during the Relevant Period and during Business Hours for any of the following purposes **(Permitted Purposes):**

(a) for a Claim begun or arising during the Relevant Period:

(i) to which the Director is subject or is a party;

(ii) that the Director is directly involved in;

(iii) that the Director proposes to bring in good faith; or

(iv) that the Director reasonably believes will be brought against the Director;

(b) to discharge the Director's duties as an officer of the Company; or

(c) any other purpose for which the Company gives its written consent, which may be given conditionally or unconditionally or withheld by the Company in its absolute discretion.

6.3 Request for access to Board Papers

Subject to clause 6.1, the Director (or any Authorised Person) may ask the Company for access to Board Papers and Books of the Company:

(a) in writing;

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(b) including particulars of the Board Papers or Books required by the Director **(Requested Documents);** and

(c) setting out a Permitted Purpose for which the Requested Documents are required.

6.4 Access for the Director

On receiving a valid request for access to Board Papers or Books under clause 6.3, the Company must give the Director or any Authorised Person access to the Requested Documents and must make them available for inspection and copying free of charge within seven Business Days after receiving the request.

6.5 Return of documents

The Director must return any Board Papers, Books and any copies of those documents obtained under clause 6.2, and all copies made of those documents, to the company secretary of the Company as soon as possible after they are no longer required for a Permitted Purpose.

6.6 Privileged documents

(a) If the Director requests access to a Board Paper or Book which is or refers to a Privileged Document, the Company must notify the Director that privilege exists, and of the general nature of acts and omissions that could cause that privilege to be waived or lost.

(b) The Director must not waive any privilege of the Company nor do or omit to do anything that will cause that legal privilege to be waived or lost, without the prior consent of the Company.

(c) If giving the Director access to a Privileged Document would, in the reasonable opinion of the Company, jeopardise the ability of the Company to claim legal privilege in a Privileged Document and materially prejudice the Company, then the Company may:

(i) impose conditions on the Director's access to the Privileged Document it reasonably considers appropriate to ensure that the ability of the Company to claim legal privilege in that Privileged Document is not jeopardised by the access; or

(ii) if the Company considers in good faith and acting reasonably that it is not possible to ensure, by imposing conditions, that the ability of the Company to claim legal privilege in that Privileged Document would not be jeopardised by the access, refuse to allow the Director access to that Privileged Document.

(d) The Company and the Director acknowledge that the Company allowing the Director access to a Privileged Document does not amount to any express or implied waiver by the Company of its claim to legal professional privilege against persons other than the Director.

(e) In exercising their rights under clause 6.6, both the Company and Director must have regard to the legitimate interests of the other and must act reasonably.

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7 Confidentiality

7.1 Obligations of confidentiality

Without limiting the Director's duties as a director of the Company, the Director (both during the period in which the Director is a director of the Company and after the Director ceases to be a director of the Company) must only use Information for a Permitted Purpose, and must keep all Information confidential unless:

(a) the Information is or comes into the public domain (other than as a result of a breach by the Director of this document);

(b) disclosure of the Information is required by law;

(c) subject to clause 7.2, disclosure of the Information is:

(i) reasonably necessary for a Permitted Purpose; or

(ii) made in confidence to the legal, financial or taxation advisers of the Director;

(d) disclosure of the Information is reasonably necessary for the discharge of the duties of the Director as an officer of the Company; or

(e) the Company has given its prior written consent to the disclosure of the Information, which may be given conditionally or unconditionally or withheld by the Company in its absolute discretion.

7.2 Privilege

For the purposes of clause 7.1(c), the Director is required to keep Information confidential unless:

(a) the Company does not have the right to claim legal privilege in some or all of that Information;

(b) the proposed disclosure of the Information could not reasonably be expected to jeopardise the Company's ability to claim legal privilege in some or all of that Information; or

(c) the Company has the right to claim legal privilege in all or any of that Information (if any) and has waived its right to claim that legal privilege to the extent required under clause 6.6,

and disclosure of the Information will not cause the Company's right to claim legal privilege in any other Information or documents to be waived.

8 Company can act through its Subsidiaries

The parties agree that if, at any time, the Company is required to make a payment, satisfy an obligation or do any other thing under this document, the Company may make that payment, satisfy that obligation or do that other thing itself or otherwise get one of its Subsidiaries to do so.

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9 Held on trust

If a provision of this document is expressed to be for the benefit of a person that is not a party to this document (**Third Party**), the party to this document that receives that promise does so not only in its own capacity but also as trustee for the Third Party.

10 GST

10.1 Definitions

Any terms capitalised in clause 10 and not already defined in clause 1.1 have the same meaning given to those terms in the GST Act.

10.2 GST exclusive

Except under clause 10, the consideration for a Supply made under or in connection with this document does not include GST.

10.3 Taxable Supply

If a Supply made under or in connection with this document is a Taxable Supply, then at or before the time any part of the consideration for the Supply is payable:

(a) the Recipient must pay the Supplier an amount equal to the total GST for the Supply, in addition to and in the same manner as the consideration otherwise payable under this document for that Supply; and

(b) the Supplier must give the Recipient a Tax Invoice for the Supply.

10.4 Later GST change

For clarity, the GST payable under clause 10.3 is correspondingly increased or decreased by any subsequent adjustment to the amount of GST for the Supply for which the Supplier is liable, however caused.

10.5 Reimbursement or indemnity

If either party has the right under this document to be reimbursed or indemnified by another party for a cost incurred in connection with this document, that reimbursement or indemnity excludes any GST component of that cost for which an Input Tax Credit may be claimed by the party being reimbursed or indemnified, or by its Representative Member, Joint Venture Operator or other similar person entitled to the Input Tax Credit (if any).

10.6 Warranty that Tax Invoice is issued regarding a Taxable Supply

Where a Tax Invoice is given by the Supplier, the Supplier warrants that the Supply to which the Tax Invoice relates is a Taxable Supply and that it will remit the GST (as stated on the Tax Invoice) to the Australian Taxation Office.

10.7 Progressive or Periodic Supplies

Where a Supply made under or in connection with this document is a Progressive or Periodic Supply, clause 10.3 applies to each component of the Progressive or Periodic Supply as if it were a separate Supply.

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11 General

11.1 Amendments

This document may only be amended by written agreement between all parties.

11.2 Assignment

A party may only assign this document or a right under this document with the written consent of the other party whose consent may not be unreasonably withheld.

11.3 Counterparts

This document may be signed in any number of counterparts. All counterparts together make one instrument.

11.4 No merger

The rights and obligations of the parties under this document do not merge on completion of any transaction contemplated by this document.

11.5 Entire agreement

(a) This document supersedes all previous agreements about its subject matter. This document embodies the entire agreement between the parties.

(b) To the extent permitted by law, any statement, representation or promise made in any negotiation or discussion, is withdrawn and has no effect except to the extent expressly set out or incorporated by reference in this document.

(c) Each party acknowledges and agrees that it does not rely on any prior conduct or representation by the other party in entering into this document.

11.6 Further assurances

Each party must do all things reasonably necessary to give effect to this document and the transactions contemplated by it.

11.7 No waiver

(a) The failure of a party to require full or partial performance of a provision of this document does not affect the right of that party to require performance subsequently.

(b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.

(c) A right under this document may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

11.8 Governing law and jurisdiction

(a) Queensland law governs this document.

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(b) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

11.9 Severability

(a) A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.

(b) If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction, it is to be treated as being severed from this document in the relevant jurisdiction, but the rest of this document will not be affected.

11.10 Approval and consent

Where under this document the doing of anything by a party is dependent on the consent or approval of another party, that consent or approval may not be unreasonably withheld nor unduly delayed, unless expressly provided otherwise.

11.11 Costs

(a) Each party bears its own costs in relation to the preparation and signing of this document.

(b) Unless otherwise provided in this document, the Company pays all stamp duty and other taxes of a similar nature (including fines, penalties and interest) on this document and on any instrument or other document signed to give effect to this document.

11.12 Relationship between the parties

Unless expressly stated otherwise, this document does not create a relationship of employment, trust, agency or partnership between the parties.

12 Notice

12.1 Method of giving notice

A notice, consent or communication under this document is only effective if it is:

(a) in writing in English, signed by or on behalf of the person giving it;

(b) addressed to the person to whom it is to be given; and

(c) given as follows:

(i) delivered by hand to that person's address;

(ii) sent to that person's address by prepaid mail or by prepaid airmail, if the address is overseas;

(iii) sent by fax to that person's fax number where the sender receives a transmission confirmation report from the despatching machine indicating the transmission has been made without error and showing the relevant number of pages and the correct destination fax number or name of recipient; or

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(iv) sent by email to that person's email address where the sender receives an email receipt or other written confirmation from the recipient to the sender which indicates that the email was received at the email address of the recipient.

12.2 When is notice given

A notice, consent or communication given under clause 12.1(a) is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

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If a notice is	It is given and received on
Delivered by hand or sent by fax or email	(a) that day, if delivered by 5.00pm on a Business Day; or (b) the next Business Day, in any other case.
Sent by post	(a) three Business Days after posting, if sent within Australia; or (b) seven Business Days after posting, if sent to or from a place outside Australia.

12.3 Address for notices

A person's address, fax number and email address are those as the person notifies the sender:

Name	Director
Attention	Trevor St Baker
Address	GPO Box 1821, Brisbane Qld 4001
Fax	
Email address	tstbaker@stbenergy.com.au

Name	The Company
Attention	Suzanne Yeates, Company Secretary
Address	
Fax	
Email address	suzanne.yeates@oasolutions.com

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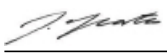
Execution

EXECUTED as a deed

Signed sealed and delivered
by NOVONIX Limited ACN 157 690 830 by:

Ù Director

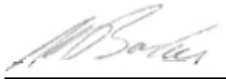
Tony Bellas
Ù Full name of Director



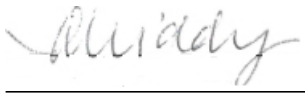
Ù Secretary

Suzanne Yeates
Ù Full name of Secretary

Signed sealed and delivered
by Trevor St Baker in the presence of:



Ù Signature of Trevor St Baker



Ù Signature of witness

MICHELE LIDDY
Ù Name of witness (print)

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Exhibit 4.2

Executive Option Plan

NOVONIX Limited ACN 157 690 830

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Executive option plan

NOVONIX Limited ACN 157 690 830

The Plan involves the grant of Options to Eligible Participants on the terms in this document.

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
Acceptance Form	means an acceptance of an Offer completed and signed by an Eligible Participant (and any Permitted Nominee) in the form attached to the Offer.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Bidder	means a person who proposes to acquire (together with their associates) all of the ordinary shares in the Company.
Board	means the Company's board of Directors.
Business Day	means a day that is not a Saturday, Sunday or public holiday in Brisbane, Queensland.
Change of Control Trigger Event	means: (a) a person acquires voting power (within the meaning of section 610 Corporations Act) in more than 50% of the ordinary shares in the Company; (b) an order of the court made for the purposes of section 411(4)(b) Corporations Act, in connection with a members' scheme of arrangement to effect a change of Control of the Company, is lodged with ASIC under section 411(10) Corporations Act; (c) the Company Disposes of the whole or a substantial part of its assets or undertaking; or (d) an event set out in paragraph (a), (b) or (c) is, in the opinion of the Board, likely to occur in the near future and the Board decides to nominate a date on which a Change of Control Trigger Event is taken to have occurred.
Company	means NOVONIX Limited ACN 157 690 830.
Constitution	means the Company's constitution.

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Term	Definition
Consultant	means any person who acts in an advisory capacity for, or is engaged in the provision of services to, the Group.
Control	has the meaning given to the term in section 50AA Corporations Act.
Corporations Act	means *Corporations Act 2001* (Cth).
Director	means a director of the Company.
Disposal Restriction	means a restriction, set out in an Offer, on the creation of a Security Interest in, or the transfer, assignment, disposal or otherwise dealing with, a Share issued on exercise of an Option.
Dispose	includes assign, transfer, sell, agree to sell (including in respect of Shares, accepting a takeover in respect of those Shares) and grant a Security Interest.
Eligible Participant	means: (a) any full or part time employees, contractors or service providers of the Company or any associated body corporate of the Company; or (b) any other person who may participate without requiring compliance with Chapters 6D.2, 6D.3 (except section 736) and 7.9 of the Corporations Act, but excludes any Director.
Employee	means an employee of a member of the Group.
Exercise Date	means the date after which an Eligible Participant may exercise an Option as set out in the Offer.
Exercise Period	means the period from the Exercise Date to the Expiry Date.
Exercise Price	means the price payable on exercise of an Option to acquire the underlying Share, as set out in rule 4.2.
Expiry Date	means the date on or by which a Participant must exercise an Option before that Option expires as set out in the Offer.
Group	means the Company and its Related Bodies Corporate.
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Notice of Exercise	means a completed and signed notice substantially in the form attached to the Offer, or another form approved by the Board.
Offer	means a written offer to participate in the Plan.
Option	means an option granted under the Plan to subscribe for and be allotted the number of Shares set out in an Offer.

Term	Definition
Participant	means an Eligible Participant or its Permitted Nominee (as the case requires).
Permitted Nominee	means a body corporate Controlled by an Eligible Participant, or any other entity as the Board may determine.
Plan	means this share option plan as amended from time to time.
Related Body Corporate	has the meaning given to the term in the Corporations Act.
Security Interest	means any interest, right or power that in substance secures payment or performance of any obligation, for example a mortgage, a charge, or a security interest under the *Personal Property Securities Act 2009* (Cth).
Share	means a fully paid ordinary share in the Company.
Termination Date	means the date the termination of directorship, employment or the consultancy arrangement of an Eligible Participant takes effect, under the Eligible Participant's written employment agreement or consultancy agreement or otherwise.
Vesting Conditions	means the vesting conditions specified in an Offer, which must be satisfied before an Option can be exercised.

1.2 Interpretation

In this document:

(a) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;

(b) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;

(c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(d) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;

(e) a reference to this document includes the agreement recorded by this document;

(f) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

(g) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;

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(h) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;

(i) a reference to 'month' means calendar month;

(j) words defined in the Corporations Act have the same meaning when used in this document; and

(k) headings are for convenience only and do not affect the interpretation.

2 Administration of the Plan

The Board will administer the Plan in accordance with this document.

3 Grant of Options

3.1 Offer of Options

(a) The Board may offer any number of Options to an Eligible Participant on the terms the Board decides by giving the Eligible Participant an Offer, subject to the Plan and any applicable law or Listing Rules.

(b) Subject to the terms of the Offer, each Option will entitle the Eligible Participant to receive one Share (ranking equally in all respects with the existing issued Shares in the Company) upon the exercise of the Option.

3.2 Required details of Offer

An Offer must state:

(a) the total number of Options for which the Eligible Participant may accept;

(b) the date of the Offer;

(c) the Exercise Period (including the Exercise Date and the Expiry Date);

(d) the Exercise Price;

(e) any Vesting Conditions;

(f) any Disposal Restrictions;

(g) any other terms of the Options; and

(h) any matters required to be specified by the Corporations Act or Listing Rules.

3.3 Required documents for Offer

The Company will send the Offer to an Eligible Participant together with:

(a) an Acceptance Form;

(b) a Notice of Exercise;

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(c) a copy of this Plan or a summary of this Plan (in which case this Plan will be made available on request, free of charge);

(d) any other explanatory material which the Company wishes to distribute; and

(e) any other documents and information required by the Corporations Act or Listing Rules.

3.4 Acceptance of offer

To accept an Offer, an Eligible Participant must complete, sign and return the Acceptance Form in accordance with the Offer.

3.5 Permitted Nominees

(a) An Eligible Participant that receives an Offer may nominate a Permitted Nominee to hold the Options on their behalf by providing details of the Permitted Nominee on the Acceptance Form and having the Permitted Nominee sign the Acceptance Form.

(b) The Board can, in its absolute discretion and without providing an explanation, decide whether or not to grant a Permitted Nominee (nominated by an Eligible Participant) Options.

(c) Where the Board decides not to grant Options to a Permitted Nominee, the Board will grant the Options to the Eligible Participant instead and the Eligible Participant is taken to have accepted the Offer personally.

(d) An Eligible Participant must immediately notify the Company in writing as soon as they become aware:

(i) that they cease to Control their Permitted Nominee;

(ii) of any transaction which may result in them ceasing to Control their Permitted Nominee; or

(iii) that they cease to have an entitlement (whether or not that entitlement requires an exercise of discretion) to a majority of the distributions of their Permitted Nominee.

(e) If an Eligible Participant ceases to Control their Permitted Nominee at any time, the Board may determine that any Options granted to the Permitted Nominee be transferred to the Eligible Participant.

3.6 No payment for grant of Options

A Participant is not required to pay for the grant of an Option.

3.7 Option statement or certificate

The Company will, within ten Business Days after the Participant is granted the Options, deliver to each Participant:

(a) a statement in the form the Board decides evidencing the grant of the Options; or

(b) if required by the Constitution or otherwise by law, a certificate evidencing the grant of the Options in accordance with the Constitution or law.

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3.8 Register of Options

The Company must maintain a register of the Options.

4 Exercise of Options

4.1 Rights to acquire Shares

An Option entitles a Participant to acquire one Share:

(a) provided any acquisition of Shares does not breach the Corporations Act or the Listing Rules;

(b) provided any Vesting Conditions have been satisfied;

(c) during the Exercise Period;

(d) for payment of the Exercise Price; and

(e) otherwise in the manner required by the Board and specified in writing to the Eligible Participant at the time the Option is granted.

4.2 Exercise price

The Exercise Price is the amount set out in the Offer.

4.3 Right to exercise and lapse

(a) Subject to rule 4.1, a Participant may exercise an Option at any time in the Exercise Period by:

(i) delivering a Notice of Exercise; and

(ii) paying the Exercise Price, to the Company.

(b) Unless the Board decides otherwise, an Option that has not been exercised on or before the Expiry Date, lapses on the day after the Expiry Date.

4.4 Lapse of Options

Subject to rule 4.1 and unless the Board decides otherwise, if an event in the table below occurs in respect of an Eligible Participant, the Eligible Participant's Options are treated in accordance with the following table:

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Event	On or before Exercise Date	During the Exercise Period
Eligible Participant's lawful termination from employment with the Group or consultancy arrangement with the Group, but not for serious breach of the employment contract or consultancy agreement	Options lapse	The Expiry Date is the Termination Date or a later date decided by the Board
Eligible Participant's lawful termination from employment with the Group or consultancy arrangement with the Group, for serious breach of the employment contract or consultancy agreement	Options lapse	The Expiry Date is the Termination Date or a later date decided by the Board
Eligible Participant's resignation or vacation from the Board, employment or consultancy with the Group.	Options lapse	The Expiry Date is date of the resignation, or a later date decided by the Board
Eligible Participant being made redundant	Options lapse	The Expiry Date is the date of the redundancy, or later date is decided by the Board
Death or disability (so that unable to perform normal duties - in the opinion of a medical practitioner nominated by the board) of the Eligible Participant	Options lapse 90 days after the date of death or disability	There is no adjustment and the representative of the Eligible Participant's estate may exercise the Options before the Expiry Date
Eligible Participant loses Control of their Permitted Nominee and the Options are not transferred to the Eligible Participant under rule 3.5(e)	Options lapse	Options lapse
Vesting Condition is unable to be met	Options lapse	Options lapse

4.5 General restriction on exercise

A Participant may not exercise an Option if, at the time the Participant proposes to exercise the Option, the Participant (or its associated Eligible Participant) is:

(a) restricted from trading in the Shares or other securities under the Company's securities trading policy; or

(b) in possession of price sensitive information about the Group which is not generally available to the public.

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5 Rights attaching to Options

5.1 Adjustment for reconstruction

If there is a reconstruction of the issued capital of the Company (including consolidation, sub-division, reduction or return), the number of Shares to be issued on exercise of an Option, the Exercise Price or both, will be adjusted:

(a) to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital; or alternatively

(b) as determined by the Board (acting reasonably).

5.2 Dividends

A Participant does not have the right to participate in dividends on Shares until Shares are issued on the exercise of an Option.

5.3 Voting rights

A Participant does not have the right to vote in respect of an Option.

5.4 Participation in further issues

(a) A Participant cannot participate in a new issue of Shares without exercising their Options, but for the avoidance of doubt, may be entitled to participate in respect of Shares already held by that Participant.

(b) If there is a pro rata issue (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the Board may reduce the Exercise Price of an Option in accordance with the formula specified in Listing Rule 6.22.2.

(c) In the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

5.5 Transfer

Subject to rule 5.6, Participants must not Dispose or deal with Options, or any interest in Options.

5.6 Transmission

The transmission of Options to a legal personal representative of an Eligible Participant following an Eligible Participant's death, may be made without the prior written consent of the Board.

5.7 Quotation

The Company will not apply to ASX for official quotation of any of the Options.

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6 No interest in Shares

A Participant has no interest in Shares the subject of Options until the Options are exercised and Shares are issued to that Participant.

7 Change of Control

7.1 Board to notify Participant of Change of Control Trigger Event

The Board must, as soon as reasonably practicable, give written notice to each Participant of a Change of Control Trigger Event.

7.2 Options exercisable on Change of Control

Unless the Board decides otherwise, if a Change of Control Trigger Event occurs, all Options vest immediately and may be exercised by a Participant (regardless of whether any Vesting Conditions have been satisfied) by delivering a Notice of Exercise, and payment of the Exercise Price, to the Company.

7.3 Action available to the Board for unexercised Options

If a Change of Control Trigger Event occurs, the Company may:

(a) buy-back Options held by a Participant for:

(i) an amount agreed with the Participant; or

(ii) the fair value of the Options, being the value of the Options decided by the Board and calculated in accordance with the Black-Scholes valuation model (as set out in the Annexure), using a volatility factor calculated using the closing price of Shares on ASX for the 12 months before the date of the calculation, without the agreement of the Participant;

(b) arrange for options to acquire shares in the Bidder to be granted to the Participants on substantially the same terms as the Options, but with any appropriate and reasonable adjustments decided by the Board to the number of shares in the Bidder to be issued on exercise of those options or the exercise price of those options, to ensure the Participants are not materially financially disadvantaged;

(c) allow the Options to continue in accordance with their terms; or

(d) proceed with a combination of any of the alternatives in rules 7.3(a), 7.3(b) or 7.3(c).

7.4 Participants to cooperate and attorney

Each Participant:

(a) must do all acts, matters or things which are necessary or desirable to give effect to a buy-back or exchange of Options under rule 7.3; and

(b) irrevocably appoints any two Directors as its attorney for the purpose of performing any act required of it under rule 7.4.

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8 Issue of Shares on Exercise

8.1 Issue of Shares

The Company will issue Shares to a Participant at the next Board meeting, or within 20 Business Days, whichever first occurs after receiving a valid Notice of Exercise and the Exercise Price.

8.2 Application for quotation

If the Shares are officially quoted by ASX, the Company will apply to ASX for official quotation of any Shares issued to a Participant after exercise of Options within the time prescribed by the Listing Rules but, in any event, within ten Business Days of the issue of those Shares.

8.3 Ranking

A Share issued on the exercise of any Option ranks equally with all existing Shares of that class from the date of allotment.

9 Disposal Restriction

9.1 No disposal of Shares for a specified period

If an Offer contains a Disposal Restriction, the Participant must comply with the Disposal Restriction in relation to all Shares issued on exercise of the Options for the period specified in the Offer.

9.2 Holding locks or other procedures

If the Shares issued on the exercise of Options are subject to a Disposal Restriction, the Company may implement any procedure (including a holding lock) it considers appropriate to ensure the Disposal Restriction is complied with for the period specified in the Offer.

9.3 Restrictions cease on Change of Control Trigger Event

A Disposal Restriction ceases to apply immediately upon a Change of Control Trigger Event occurring. As soon as reasonably practicable after the Change of Control Trigger Event occurs, the Company must release the Shares from any procedure in place under rule 9.2.

10 Notice

10.1 Method of giving notice

A notice, consent or communication under this document is only effective if it is:

(a) in writing;

(b) addressed to the person to whom it is to be given; and

(c) given as follows:

(i) delivered by hand to that person's address;

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(ii) sent to that person's address by prepaid mail or by prepaid airmail, if the address is overseas;

(iii) sent by fax to that person's fax number where the sender receives a transmission confirmation report from the despatching machine indicating the transmission has been made without error and showing the relevant number of pages and the correct destination fax number or name of recipient; or

(iv) sent by email to that person's email address where the sender receives an email receipt or other written confirmation from the recipient to the sender which indicates that the email was received at the email address of the recipient.

10.2 When is notice given

A notice, consent or communication given under rule 10.1 is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

If a notice is	It is given and received on
Delivered by hand or sent by fax or email	(a) that day, if delivered by 5.00pm on a Business Day; or (b) the next Business Day, in any other case.
Sent by post	(a) three Business Days after posting, if sent within Australia; or (b) seven Business Days after posting, if sent to or from a place outside Australia.

10.3 Participant's address for notices

A Participant's address, fax number and email address are as shown in the Company's records or as otherwise notified by the Participant to the Company.

10.4 Company's address for notices

The Company's address for notices, including the Acceptance and Notice of Exercise is set out below or as otherwise notified by the Company to the Participant:

NOVONIX Limited
PO Box 10348
Brisbane Qld 4000

10.5 Notices to Permitted Nominees

Any notice or direction given under this Plan to a Permitted Nominee is validly given if it is provided to the associated Eligible Participant under rule 10.1.

11 Amendment of the Plan

11.1 Amendment

Subject to rule 11.2, the Board may amend the Plan in any manner it decides.

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11.2 Restrictions

The Board must not make any amendment to the Plan which would:

(a) have the effect of materially adversely affecting or prejudicing the rights of any Participant holding Options at that time, except for amendments:

(i) to comply with the Constitution, Corporations Act, Listing Rules or any other law affecting the maintenance or operation of the Plan;

(ii) to correct a manifest error; or

(iii) to address potential adverse tax implications affecting the Plan arising from changes to laws relating to taxation, the interpretation of laws relating to taxation by the relevant governmental authorities (including the release of any ruling), courts or tribunals; or

(b) effect a change to the number of Shares to which a Participant is entitled on exercise of the Options, the Exercise Price or the Exercise Period unless permitted by the Corporations Act and the Listing Rules.

12 Termination of the Plan

The Plan may be terminated or suspended at any time by the Board and that termination or suspension will not have any effect on or prejudice the rights of any Participant holding Options at that time.

13 Administration of the Plan

13.1 Authority to form policy and delegation

(a) The Board may make policy and regulations for the operation of the Plan which are consistent with the Plan and may delegate necessary functions to an appropriate service provider or employee capable of performing those functions and implementing those policies.

(b) The Board may delegate functions and powers under this Plan as it considers appropriate, for the efficient administration of the Plan, to a committee made up of a person or persons capable of performing those functions and exercising those powers.

13.2 Obligations of Board

The Board in exercising a power or discretion conferred on it by this Plan is not under a fiduciary or other obligation to any other person.

13.3 Board decisions

The decision of the Board as to the interpretation, effect or application of this Plan is final.

13.4 Board, Company and delegates may act in its absolute discretion

Where the Board, the Company or their delegates may exercise any right or discretion or make any decision under this document, it may do so in its absolute discretion, conditionally or unconditionally, and without being required to give reasons or act reasonably. Rule 13.4 applies unless this document expressly requires otherwise.

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13.5 Independent advice by Board

The Board or a committee may take and rely upon independent professional or expert advice on the exercise of any of their powers or discretions under this Plan.

14 Rights of Eligible Participants and Participants

Nothing in this Plan:

(a) confers on any Eligible Participant the right to continue as a Director, an Employee or a Consultant;

(b) affects any rights a member of the Group may have to terminate the employment of any Employee or any agreement with a Director or Consultant; or

(c) may be used to increase damages in any action brought against the Company or any Related Body Corporate, other than an action arising solely out of a Participant's rights under the Plan.

15 General

15.1 Listing Rules and Constitution

(a) This Plan, the entitlements of Participants, and any obligations of the Company, under this Plan are subject to the Constitution, the Listing Rules, the Corporations Act and any other applicable law.

(b) No Option may be granted nor will any Option be capable of exercise if it would, or in the opinion of the Board, having taken appropriate legal advice, is likely to, contravene the Corporations Act, the Listing Rules or any other applicable laws.

(c) Despite any other rule of this Plan, every covenant or other provision set out in an exemption from, or modification to, the provisions of the Corporations Act granted from time to time by ASIC in respect of the Plan, and required to be included in this Plan in order for the exemption or modification to have effect, is deemed to be contained in this Plan. To the extent that any covenant, or other provision deemed to be contained in this Plan is inconsistent with any other rule of this Plan, the deemed covenant or other provision will prevail.

15.2 Board, Company and delegates may act in its absolute discretion

Where the Board, the Company or their delegates may exercise any right or discretion or make any decision under this document, it may do so in its absolute discretion, conditionally or unconditionally, and without being required to give reasons or act reasonably. Clause 15.2 applies unless this document expressly provides otherwise.

15.3 Costs

(a) The Company must pay all the expenses, costs and charges incurred in operating the Plan.

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(b) The Company is not responsible for any duties or taxes which may become payable in connection with the grant of Options, the issue and allotment of Shares on exercise of Options or any other dealing with Options or Shares (including, but not limited to, as a result of a transaction contemplated by rules 3.5(e) or 7.3).

15.4 Advice

Participants should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of, or relating to, participating in the Plan.

15.5 Governing law and jurisdiction

(a) Queensland law governs this document and the rights of Participants under the Plan.

(b) Each Participant, the Company and the Board (and their delegates) irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

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Exhibit 4.3

Lawyers | McCullough Robertson

Performance rights plan

Graphitecorp Limited ACN 157 690 830

Level 11 Central Plaza Two 66 Eagle Street Brisbane QLD 4000 | GPO Box 1855 Brisbane QLD 4001 Australia | **ABN** 42 721 345 951 **Telephone** 07 3233 8888 | **Fax** 07 3229 9949 | **Web** www.mccullough.com.au

With offices in Brisbane, Newcastle and Sydney.

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Lawyers | McCullough Robertson

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The Plan involves the grant of Rights to Eligible Participants on the terms in this document.

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
Acceptance Form	means an acceptance of an Offer completed and signed by an Eligible Participant (and any Permitted Nominee) in the form attached to the Offer.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Bidder	means a person who proposes to acquire (together with their associates) all of the ordinary shares in the Company.
Board	means the Company's board of Directors.
Business Day	means a business day as defined in the Listing Rules.
Change of Control Trigger Event	means: (a) a person acquires voting power (within the meaning of section 610 Corporations Act) in more than 50% of the ordinary shares in the Company; (b) an order of the court made for the purposes of section 411(4)(b) Corporations Act, in connection with a members' scheme of arrangement to effect a change of Control of the Company, is lodged with ASIC under section 411(10) Corporations Act; (c) the Company disposes of the whole or a substantial part of its assets or undertaking; or (d) an event set out in paragraph (a) or (b) is, in the opinion of the Board, likely to occur in the near future and the Board decides to nominate a date on which a Change of Control Trigger Event is taken to have occurred.
Company	means Graphitecorp Limited ACN 157 690 830.
Constitution	means the Company's constitution.

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Term	Definition
Consultant	means any person who acts in an advisory capacity for, or is engaged in the provision of services to, the Group.
Control	has the meaning given to the term in section 50AA Corporations Act.
Corporations Act	means *Corporations Act 2001* (Cth).
Director	means a director of the Company.
Disposal Restriction	means a restriction, set out in an Offer, on the creation of a Security Interest in, or the transfer, assignment, disposal or otherwise dealing with, a Share issued to the Participant after Vesting.
Eligible Participant	means any person who is designated by the Board to be an Eligible Participant under rule 3.
Employee	means an employee of a member of the Group.
Encumbrance	means any one or more of the following: (a) any interest, right or power that in substance secures payment or performance of any obligation, for example a mortgage, charge or security interest under the *Personal Property Securities Act 2009 (Cth);* (b) any preferential or adverse interest of any kind; (c) a right to buy or use assets, for example a hire purchase agreement, option, licence, lease or agreement to purchase; (d) a right to set-off or right to withhold payment of a deposit or other money; (e) an easement, restrictive covenant, caveat or similar restriction over property; (f) an agreement to create any of the items referred to in paragraphs (a) to (e) above or to allow any of those items to exist; or (g) a notice under section 255 Tax Act (1936), subdivision 260-A in schedule 1 *Taxation Administration Act 1953 (Cth) or any similar legislation.*
Grant Date	means the date on which a Participant is granted a Right.
Group	means the Company and its Related Bodies Corporate.
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

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Term	Definition
Market Value	means: (a) the volume weighted average price of a Share over the period of 30 trading days ending on the relevant date (or if that day is not a trading day, the trading day before that day), excluding any off-market trades, special crossings and any other trades that the Board decides to exclude on the basis that the trades are not fairly reflective of natural supply and demand for Shares; or (b) the market price of a Share as determined by (and calculated by any method decided by) the Board.
Offer	means a written offer to participate in the Plan.
Participant	means an Eligible Participant or its Permitted Nominee (as the case requires).
Performance Right	means a right to be issued one Share subject to satisfaction of the Vesting Conditions, any Disposal Restrictions and rule 5.2.
Permitted Nominee	means a body corporate Controlled by an Eligible Participant, or any other entity as the Board may determine.
Plan	means this performance rights plan as amended from time to time.
Related Body Corporate	has the meaning given to the term in the Corporations Act.
Right	means a Performance Right.
Security Interest	means any interest, right or power that in substance secures payment or performance of any obligation, for example a mortgage, a charge, or a security interest under the *Personal Property Securities Act 2009* (Cth).
Share	means a fully paid ordinary share in the Company.
Trust	means a trust created for the purpose of holding Shares or Rights in connection with this Plan and any other employee incentive plan operated by the Company or its subsidiaries.
Vesting	means on the satisfaction of the Vesting Conditions, the Participant's entitlement to be issued Shares the subject of a Right.
Vesting Conditions	means the vesting conditions specified in an Offer or this Plan, which must be satisfied before Shares are issued, under a Performance Right.
Vesting Date	subject to rule 8.2, means the date on which a Participant is entitled to be issued Shares in respect of their Rights, subject to satisfaction of the Vesting Conditions and any Disposal Restrictions.

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1.2 Interpretation

In this document:

(a) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;

(b) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;

(c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(d) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;

(e) a reference to this document includes the agreement recorded by this document;

(f) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

(g) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;

(h) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;

(i) a reference to 'month' means calendar month;

(j) words defined in the Corporations Act have the same meaning when used in this document; and

(k) headings are for convenience only and do not affect the interpretation.

2 Administration of the plan

The Board will administer the Plan in accordance with this document.

3 Eligible Participants

The Board may designate a Director, Employee or Consultant as an Eligible Participant for the purposes of the Plan.

4 Grant of rights

4.1 Offer of Rights

The Board may offer any number of Rights to an Eligible Participant on the terms the Board decides by giving the Eligible Participant an Offer, subject to this Plan and any applicable law or the Listing Rules.

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4.2 Required details of Offer

An Offer must state:

(a) the total number of Rights for which the Eligible Participant may accept;

(b) the date of the Offer;

(c) time period for acceptance of the Offer;

(d) the Vesting Date;

(e) any Vesting Conditions;

(f) any Disposal Restrictions;

(g) any other terms attaching to the Rights; and

(h) any matters required to be specified by the Corporations Act or Listing Rules.

4.3 Required documents for Offer

The Company will send the Offer to an Eligible Participant together with:

(a) an Acceptance Form;

(b) a copy of this Plan or a summary of this Plan (in which case this Plan will be made available on request, free of charge);

(c) any other explanatory material which the Company wishes to distribute; and

(d) any other documents and information required by the Corporations Act and the Listing Rules, if applicable.

4.4 Acceptance of offer

To accept an Offer, an Eligible Participant must complete, sign and return the Acceptance Form in accordance with the Offer.

4.5 Permitted Nominees

(a) An Eligible Participant that receives an Offer may nominate a Permitted Nominee to hold Rights on their behalf by providing details of the Permitted Nominee on the Acceptance Form and having the Permitted Nominee sign the Acceptance Form.

(b) The Board can, in its absolute discretion and without providing an explanation, decide whether or not to accept the nomination of a Permitted Nominee by an Eligible Participant.

(c) Where the Board decides not to grant Rights to a Permitted Nominee, the Board will, instead, grant the Rights to the Eligible Participant and the Eligible Participant is taken to have accepted the Offer personally.

(d) An Eligible Participant must immediately notify the Company in writing as soon as they become aware:

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(i) that they cease to Control their Permitted Nominee;

(ii) of any transaction which may result in them ceasing to Control their Permitted Nominee; or

(iii) that they cease to have an entitlement (whether or not that entitlement requires an exercise of discretion) to a majority of the distributions of their Permitted Nominee.

(e) If an Eligible Participant ceases to Control their Permitted Nominee at any time, the Board may determine that any Rights issued to the Permitted Nominee be transferred to the Eligible Participant.

4.6 Maximum Rights granted

The Board must not grant Rights if the number of Shares to be issued on Vesting of the Rights, when aggregated with the:

(a) total number of Shares relating to unvested and unexpired Rights existing or which would be issued if all offers for Rights were accepted, being offers made or Rights acquired under an employee share or option plan only for employees or directors of the Company and its Related Bodies Corporate; and

(b) number of Shares in the same class issued during the previous five years under any employee share or option scheme only for employees or directors of the Company and its Related Bodies Corporate,

but disregarding any Offer made, or Right acquired or Share issued by way of or as a result of:

(c) an Offer to a person situated at the time of receipt of the Offer outside of Australia;

(d) a disclosure document or product disclosure statement; or

(e) an offer that did not need disclosure because of section 708 Corporations Act,

would exceed 5% of the total number of issued Shares in that class of Shares of the Company as at the time the offer was made.

4.7 No payment for grant of Rights or issue of Shares

A Participant is not required to pay for the grant of any Rights or the issue of Shares on Vesting.

4.8 Statement

The Company will, within ten Business Days following the Grant Date, deliver to each Participant:

(a) a statement in the form the Board decides evidencing the grant of the Rights; and

(b) any other information required by the Constitution, Corporations Act or the Listing Rules, if applicable.

4.9 Register of holders

The Company must, if required by law, maintain a register of the Rights.

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5 Vesting of Rights and issue of Shares

5.1 Number of Shares to be issued on Vesting of a Performance Right

Subject to rule 5.2, each Performance Right entitles the Participant to be issued one Share after the Vesting Date:

(a) subject to the satisfaction of the Vesting Conditions;

(b) provided any acquisition of Shares does not breach Corporations Act or the Listing Rules, if applicable; and

(c) subject to any other requirement contained in the Offer.

5.2 Cash Settlement

The Board may decide, in its absolute discretion to substitute the issue of Shares on the Vesting of Rights, for the payment to the Participant of a cash amount calculated in accordance with the following formula for Performance Rights:

Number of Performance Rights **x** **Market Value of a Share on the Vesting Date of the Performance Rights**

5.3 Lapse of Rights between Grant Date and Vesting Date

Unless the Board decides otherwise, if an event in the table below occurs in respect of an Eligible Participant, before the Vesting Date for a Right, the Eligible Participant's Rights are treated in accordance with the following table:

Event	Treatment of Rights
Eligible Participant's lawful termination from employment with the Group or consultancy arrangement with the Group	Rights lapse immediately
Eligible Participant's resignation or vacation from the Board, employment or consultancy with the Group	Rights lapse immediately
Eligible Participant being made redundant	Rights do not lapse
Eligible Participant becomes disabled and (in the opinion of a medical practitioner nominated by the Board) is unable to perform their normal duties	Rights do not lapse
Death of the Eligible Participant	Rights do not lapse
Eligible Participant loses Control of their Permitted Nominee	Rights lapse immediately unless they are transferred to the Eligible Participant under rule 4.5(e)

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6 Rights attaching to Rights granted

6.1 Adjustment for reconstruction

If there is a reconstruction of the issued capital of the Company (including consolidation, sub-division, reduction or return), the number of Shares over which a Right exists will be adjusted (as appropriate) to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital.

6.2 Dividends

A Participant does not have the right to participate in dividends on Shares until Shares are issued after Vesting of the Rights.

6.3 Voting rights

A Participant does not have the right to vote in respect of a Right.

6.4 Participation in further issues

(a) A Participant cannot participate in a pro rata or bonus issue of Shares without being issued Shares for their Rights.

(b) If a pro rata bonus or cash issue of securities is awarded by the Company, the number of Shares over which a Right exists will be adjusted as specified in Listing Rules and written notice will be given to the Participant.

6.5 Transfer of rights

Subject to rule 6.6, Participants must not:

(a) create a Security Interest in; or

(b) transfer, assign, dispose or otherwise deal with,

Rights, or any interest in Rights, without the prior written consent of the Board.

6.6 Transmission

The transmission of Rights to a legal personal representative of an Eligible Participant following an Eligible Participant's death, may be made without the prior written consent of the Board.

6.7 Quotation

The Company will not apply to ASX for official quotation of any of the Rights.

7 No interest in shares

A Participant has no interest in Shares the subject of Rights unless and until Vesting of those Rights occurs and Shares are issued to that Participant.

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8 Change of control

8.1 Board to notify Participant of Change of Control Trigger Event

The Board must, as soon as reasonably practicable, give written notice to each Participant of a Change of Control Trigger Event.

8.2 Treatment of Rights on a Change of Control Trigger Event

Unless the Board decides otherwise, if a Change of Control Trigger Event occurs, the Vesting Date of all Rights is the date on which the Change of Control Trigger Event occurs, or another date the Board decides.

8.3 Board to decide whether Rights Vest

After a Change of Control Trigger Event occurs, the Board must decide whether the Rights or a pro rata proportion of Rights Vest on the Vesting Date (as determined under rule 8.2) having regard to the performance of the Company and the relevant Eligible Participant, the Vesting Conditions and any other circumstances the Board decides are relevant.

8.4 Rights that the Board decides Vest following a Change of Control Trigger Event

If the Board decides that Rights Vest under rule 8.3, the Company must either:

(a) issue Shares to Participants as soon as reasonably practicable;

(b) arrange for rights to acquire shares in the Bidder to be granted to the Participants on substantially the same terms as the Rights, but with any appropriate and reasonable adjustments decided by the Board to the number of shares in the Bidder to be issued on exercise of those rights, to ensure the Participants are not materially financially disadvantaged with the agreement of the Bidder;

(c) arrange for shares to be issued in the Bidder in lieu of Shares on the terms decided by the Board as soon as reasonably practicable; or

(d) proceed with a combination of any of the alternatives in rules 8.4(a), 8.4(b) or 8.4(c).

8.5 Rights that the Board decides do not Vest following a Change of Control Trigger Event

If the Board decides that Rights do not Vest under rule 8.3:

(a) the Board may arrange for rights in the Bidder to be granted to the Participant on terms decided by the Board and the Rights will immediately lapse; or

(b) those Rights immediately lapse, unless the Board decides otherwise.

8.6 Participants to cooperate and attorney

Each Participant:

(a) must do all acts, matters or things which are necessary or desirable to give effect to rules 8.4(b), 8.4(b) and 8.5(a); and

(b) irrevocably appoints any two Directors as its attorney for the purpose of performing any act required of it under rule 8.6.

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9 Issue of Shares on Vesting

9.1 Issue of Shares

The Company will issue, transfer or allocate Shares to a Participant at the next Board meeting, or within 20 Business Days, whichever first occurs after Vesting.

9.2 Application for quotation

If the Company's Shares are officially quoted by ASX, the Company will apply to ASX for official quotation of any Shares issued to a Participant after Vesting of a Right within the time prescribed by the Listing Rules but, in any event, within ten Business Days of the issue of those Shares.

9.3 Ranking of Shares issued after Vesting

A Share issued under a Right after Vesting ranks equally with all existing Shares of that class from the date of allotment

10 Disposal restriction

10.1 No disposal of Shares for a specified period

If an Offer contains Disposal Restrictions, the Participant must comply with the Disposal Restrictions (or direct the trustee of the Trust, if applicable to do so) in relation to all Shares issued after Vesting for the period specified in the Offer.

10.2 Holding locks or other procedures

If the Shares issued after Vesting to a Participant are subject to a Disposal Restriction the Company, may implement any procedure (including a holding lock) it considers appropriate to ensure the Disposal Restriction is complied with for the period specified in the Offer.

10.3 Restrictions cease on Change of Control Trigger Event

A Disposal Restriction ceases to apply immediately upon a Change of Control Trigger Event occurring. As soon as reasonably practicable after the Change of Control Trigger Event occurs, the Company must release the Shares from any procedure in place under rule 10.2.

11 Notice

11.1 Method of giving notice

A notice, consent or communication under this document is only effective if it is:

(a) in writing, in English and signed by or on behalf of the person giving it;

(b) addressed to the person to whom it is to be given; and

(c) given as follows:

(i) delivered by hand to that person's address;

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(ii) sent to that person's address by prepaid mail or by prepaid airmail, if the address is overseas;

(iii) sent by fax to that person's fax number where the sender receives a transmission confirmation report from the despatching machine indicating the transmission has been made without error and showing the relevant number of pages and the correct destination fax number or name of recipient; or

11.2 When is notice given

A notice, consent or communication given under rule 11.1 is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

If a notice is	It is given and received on
Delivered by hand or sent by fax	(a) that day, if delivered by 5.00pm on a Business Day; or (b) the next Business Day, in any other case.
Sent by post	(a) three Business Days after posting, if sent within Australia; or (b) seven Business Days after posting, if sent to or from a place outside Australia.

11.3 Participant's address for notices

A Participant's address and fax number are as shown in the Company's records or as otherwise notified by the Participant to the Company.

11.4 Company's address for notices

The Company's address for notices, including the Acceptance Form is set out below or as otherwise notified by the Company to the Participant.

c/- McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland 4000

11.5 Notices to Permitted Nominees

Any notice given under this Plan to a Permitted Nominee is validly given if it is provided to the associated Eligible Participant under rule 11.1.

12 Amendment of the Plan

12.1 Amendment

Subject to rule 12.2, the Board may amend the Plan in any manner it decides.

12.2 Restrictions

The Board must not make any amendment to the Plan which would:

(a) have the effect of materially adversely affecting or prejudicing the rights of any Participant holding Rights at that time, except for amendments:

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(i) to comply with the Constitution, Corporations Act, Listing Rules or any other law affecting the maintenance or operation of the Plan;

(ii) to correct a manifest error; or

(iii) to address potential adverse tax implications affecting the Plan arising from changes to laws relating to taxation, the interpretation of laws relating to taxation by the relevant governmental authorities (including the release of any ruling), courts or tribunals; or

(b) effect a change to increase the number of Shares to which a Participant is entitled on Vesting or change the Vesting Date unless permitted by the Corporations Act and the Listing Rules.

13 Termination of the Plan

The Plan may be terminated or suspended at any time by the Board and that termination or suspension will not have any effect on or prejudice the rights of any Participant holding Rights at that time.

14 Administration of the Plan

14.1 Authority to form policy and delegation

(a) The Board may make policy and regulations for the operation of the Plan which are consistent with the Plan and may delegate necessary functions to an appropriate service provider or employee capable of performing those functions and implementing those policies.

(b) The Board may delegate functions and powers under this Plan as it considers appropriate, for the efficient administration of the Plan, to a committee made up of a person or persons capable of performing those functions and exercising those powers.

14.2 Obligations of Board

The Board in exercising a power or discretion conferred on it by this Plan is not under a fiduciary or other obligation to any other person.

14.3 Board decisions

The decision of the Board as to the interpretation, effect or application of this Plan is final.

14.4 Board, Company and delegates may act in its absolute discretion

Where the Board, the Company or their delegates may exercise any right or discretion or make any decision under this document, it may do so in its absolute discretion, conditionally or unconditionally, and without being required to give reasons or act reasonably. This rule applies unless this document expressly requires otherwise.

14.5 Independent advice by Board

The Board or a committee may take and rely upon independent professional or expert advice on the exercise of any of their powers or discretions under this Plan.

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15 Rights of Eligible Participants and Participants

Nothing in this Plan:

(a) confers on any Eligible Participant the right to continue as a Director, an Employee or a Consultant;

(b) affects any rights a member of the Group may have to terminate the employment of any Employee or any agreement with a Director or Consultant; or

(c) may be used to increase damages in any action brought against the Company or any Related Body Corporate, other than an action arising solely out of a Participant's rights under the Plan.

16 General

16.1 Listing Rules and Constitution

(a) This Plan, the entitlements of Participants, and any obligations of the Company, under this Plan are subject to the Constitution, the Listing Rules, the Corporations Act and any other applicable law.

(b) Despite any other rule of this Plan, every covenant or other provision set out in an exemption from, or modification to, the provisions of the Corporations Act granted from time to time by ASIC in respect of the Plan, and required to be included in this Plan in order for the exemption or modification to have effect, is deemed to be contained in this Plan. To the extent that any covenant, or other provision deemed to be contained in this Plan is inconsistent with any other rule of this Plan, the deemed covenant or other provision will prevail.

16.2 Costs

(a) The Company must pay all the expenses, costs and charges incurred in operating the Plan.

(b) The Company is not responsible for any duties or taxes which may become payable in connection with the grant of Rights, the issue and allotment of Shares after Vesting or any other dealing with Rights or Shares (including, but not limited to, as a result of a transaction contemplated by rules 4.5(e) or 8.4).

16.3 Advice

Participants should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of, or relating to, participating in the Plan.

16.4 Governing law and jurisdiction

(a) Queensland law governs this document and the rights of Participants under the Plan.

(b) Each Participant, the Company and the Board (and their delegates) irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this **"Agreement")** is made as of April 12, 2021 (the **"Effective Date"),** between **WEST END PROPERTY II, LLC,** a Tennessee limited liability company **("Seller"),** and **PUREGRAPHITE, LLC,** a Delaware limited liability company **("Purchaser").** This Agreement refers to Seller and Purchaser collectively as the **"Parties".**

AGREEMENT

IN CONSIDERATION OF the mutual covenants and conditions set forth below, the Parties agree as follows:

1. **Property.** Subject to the terms and conditions of this Agreement, Seller agrees to sell and Purchaser agrees to purchase certain real property consisting of an approximately 404,797 square foot manufacturing facility with on-site parking and with other improvements, commonly known as 1029 W. 19th Street, Chattanooga, Tennessee 37408, being a part of Tax Parcel No. 145G (the entire southern boundary having access to the public right of way of W. 19th Street, a portion of the western boundary being contiguous with the eastern line of the private "Front Street", the northern boundary being contiguous with the southern line of the private portion of Main Street, and the eastern boundary being contiguous with the center line of an alley), and as generally shown on the attached **Exhibit A** (the **"Property").** The Property shall include *(a)* any and all buildings, structures, improvements, fixtures and other appurtenances situated on the real property; *(b)* all furnishings, fixtures, equipment, and personalty used in connection with operation of and located on the Property to be identified by Purchaser during the Investigation Period (defined below) and which are reasonably acceptable to Seller; *(c)* any and all access, utility, and other easements and rights contemplated in this Agreement, or specified on the Plat (hereinafter defined) or that benefit the Property, including reasonable truck access through the gate at the southeast corner of the Property and vehicular access along Front Street; and *(d)* all other similar items that are located at the Property, used in connection with the Property, or otherwise benefit the Property.

2. **Purchase Price.** The purchase price for the Property shall be Forty One Million Five Hundred Thousand and No/100 Dollars ($41,500,000) (the **"Purchase Price").** The Purchase Price, as adjusted by all prorations, charges and credits herein provided, shall be delivered at Closing (defined below) in immediately available funds, subject to the terms and conditions of this Agreement.

3. **Deposit.** Within three (3) days after the Effective Date, Purchaser shall deliver to Jones Title Agency, Inc., 518 Georgia Avenue, Suite 200, Chattanooga, Tennessee 37403 (the **"Title Company"),** the sum of $400,000.00 by wire transfer or certified, cashier's or corporate check (the **"Deposit").** The Title Company shall hold the Deposit in escrow in an interest bearing account. The Deposit and any interest earned thereon shall be credited against the Purchase Price at Closing or released to Seller or Purchaser in accordance with the terms and conditions of this Agreement.

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4. **Conditions Precedent.** This Agreement, and Purchaser's obligation to close under this Agreement, shall be conditioned on the satisfaction and fulfillment of the following conditions precedent **("Conditions Precedent"),** on or prior to the respective dates set forth hereinafter:

(a) **Investigations.** Except as may be otherwise expressly provided in this Agreement, Purchaser acknowledges that Seller is conveying the Property to Purchaser in an "as is" condition, and Purchaser shall rely upon its own inspection and investigation in determining whether to proceed with this transaction. Purchaser, and Purchaser's agents and representatives, shall have the right for a period expiring at 11:59 p.m. on May 11, 2021 **("Investigation Period")** to enter onto the Property and to have the Property inspected, surveyed, evaluated, analyzed, tested, appraised and assessed for any matter whatsoever, including but not limited to (i) the condition of any improvements located on the Property, including the structure, plumbing and mechanical systems of such improvements, and the presence of wood-destroying insects; *(ii)* soil conditions on the Property; *(iii)* the location of flood plains on the Property; *(iv)* the presence of wetlands, including any required mitigation, and the condition of storm water drainage systems located on the Property; (v) the presence of environmental contamination on the Property; *(vi)* health and safety conditions; *(vii)* access to existing and contemplated utilities; *(viii)* access to public roads and to railway lines; *(ix)* access to the Crane (defined below) as shown on **Exhibit D** and the adjacent pier providing access to the Tennessee River, all of which must be examined and tested by Purchaser at its expense, and at Seller's expense, the Crane and the adjacent pier, certified by qualified inspectors to be operational and in good working condition; *(x)* signage; *(xi)* zoning and compliance with other laws, codes and ordinances; *(xii)* suitability for Purchaser's intended use; and *(xiii)* any other matter germane to Purchaser's interest in the Property and/or the operation thereof. Any such inspections and testing shall be performed by companies selected by Purchaser. If any of the investigations are not satisfactory to Purchaser, for any reason whatsoever, then Purchaser shall have the right to terminate this Agreement in accordance with Section 5 below. Notwithstanding the foregoing, prior to entering the Property, Purchaser will obtain and maintain (and deliver to Seller sufficient evidence thereof) general liability insurance from an insurer reasonably acceptable to Seller, in an amount of at least One Million Dollars ($1,000,000) combined single limit for personal injury and property damage per occurrence, which insurer will provide coverage against any damage for personal injury or death or property damage caused by Purchaser or its designees in connection with such inspections and tests, and Seller will be named as an additional insured under an "additional insured endorsement." Purchaser will not conduct any drilling or other invasive or structural testing without a representative of Seller having the opportunity to be present and without the written consent of Seller, which consent won't be unreasonably withheld, conditioned, or delayed. Purchaser will be responsible for promptly repairing any damage that is caused by Purchaser, its employees, agents, or contractors. Purchaser indemnifies and holds Seller harmless from any and all loss, liability, claims and damages, including reasonable attorneys' fees and expenses, arising out of Purchaser's rights under this section, which indemnity will survive the termination of this Agreement. If, by May 11, 2021, notwithstanding the reasonable efforts of Seller and Purchaser, the access and utility easements burdening and benefiting the Property have not been resolved to the satisfaction of Purchaser, the Investigation Period may be extended by Purchaser, in its sole discretion, to the expiration of the Investigation Period Extension (defined in Section 4(j)), but only with respect to Purchaser's approval of such easements. The extension will be made pursuant to the Investigation Period Extension Notice (defined in Section 4(j)).

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(b) **Property Reports.** Within two (2) business days after the Effective Date, Seller shall deliver to Purchaser all of the items listed on the attached **Exhibit B** (collectively, the **"Property Reports").** Seller agrees to cooperate with Purchaser to have the Property Reports updated, renewed or certified to Purchaser, at Purchaser's cost, if so desired by Purchaser. If any of the information disclosed in the Property Reports is not satisfactory to Purchaser, for any reason whatsoever, then Purchaser shall have the right to terminate this Agreement in accordance with Section 5 below. If this Agreement is terminated for any reason other than a Seller default, Purchaser promptly will return the Property Reports to Seller.

(c) **Title.** Purchaser shall, at Purchaser's expense, promptly order a commitment for an ALTA owner's policy of title insurance issued by the Title Company (the **"Title Commitment").** For a period of fifteen (15) days from the date that Purchaser receives both the Title Commitment and the Survey (defined below) in forms reasonably satisfactory to Purchaser (the **"Review Period"),** Purchaser shall examine the Title Commitment and Survey and notify Seller in writing of any objections that Purchaser has, in Purchaser's sole discretion, to specific matters identified in the Title Commitment or Survey or of any requirements which must be satisfied, in Purchaser's sole discretion (the **"Title Objections").** Any matter identified in the Title Commitment or Survey to which Purchaser does not object within the Review Period shall be deemed to be permitted exceptions to the status of Seller's title (the **"Permitted Exceptions").** If, however, Purchaser timely notifies Seller of Title Objections, then Seller shall have ten (10) days within which to notify Purchaser whether Seller will cause the Title Objections to be removed, corrected, remedied or insured over (by procuring appropriate endorsements, at Seller's sole expense, to the Title Policy acceptable to Purchaser) to Purchaser's reasonable satisfaction on or before Closing (defined below). If Seller does not give Purchaser notice of its election within such ten (10) day period, then Seller shall be deemed to have elected not to remedy, correct, remove or endorse over the Title Objections. If Seller elects to remedy, correct, remove or endorse over any of the Title Objections, then Seller shall use commercially reasonable efforts to remedy, cure, remove or endorse over the Title Objections. If Seller elects not to cure any Title Objections, or if Seller is unable to effect a cure of any such Title Objections on or prior to the expiration of the Investigation Period, then Purchaser shall have the right either (z) to proceed with the purchase and acquire the Property subject to such Title Objections (in which case such Title Objections shall be Permitted Exceptions); or *(ii)* to terminate this Agreement by written notice to Seller, in which case the Deposit, and any interest accrued on the Deposit, shall be returned to Purchaser, and neither Party shall have any further rights, obligations or liability hereunder, except to the extent that any right, obligation or liability expressly survives the termination of this Agreement.

Notwithstanding the foregoing, Seller, at its sole expense, shall be obligated at Closing to discharge or satisfy any and all liens, judgments and assessments on the Property and remove from the public records any deed of trust, security interest or other monetary encumbrance affecting or encumbering the Property and which can be satisfied by monetary payment or otherwise at or prior to Closing, and failing the same, Purchaser shall be entitled to pay for and release such items and any amounts expended therefor shall be credited against the Purchase Price. In addition, with respect to any exception(s) first appearing on the Title Commitment and/or Survey or any update thereto after the effective date of the Title Commitment and/or Survey delivered to Purchaser pursuant to this Section, such additional exception(s) shall not be deemed to be a "Permitted Exception" hereunder unless and until Purchaser has reviewed and approved same in writing. Seller, at its sole expense, shall remove all encumbrances that are placed on the Property by Seller after the Effective Date, unless such encumbrances were reasonably approved by Purchaser.

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(d) **Survey.** During the Investigation Period, Purchaser shall have the right at its sole expense, to order an ALTA/NSPS land title survey (the **"Survey")** of the Property, showing the legal description of the Property, all easements affecting the Property, all structures and improvements on the Property, and such other matters desired by Purchaser. Purchaser shall also have the right to elect to take an assignment and re-certification of any existing Survey, in which case Seller shall reasonably cooperate with such assignment or re-certification. Purchaser shall have the further right to work with the engineer, Seller and any third parties to establish the final Survey and certifications in a manner that is acceptable to Purchaser, in its sole discretion. If Purchaser determines that it cannot obtain an acceptable Survey, then Purchaser shall have the right to terminate this Agreement in accordance with Section 5 below. Purchaser agrees to reasonably consider RLS Group for the preparation of the Survey.

(e) **Subdivision Plat.** Within two (2) business days after the Effective Date, Seller, at its sole expense, will initiate and thereafter diligently pursue, the subdivision of the Property with boundaries mutually acceptable to Purchaser and Seller and generally in accordance with the description of the Property in Section 1, so that Seller can convey the Property lawfully in accordance with a recorded subdivision plat ("Plat"). The Plat will provide for free (without charge) and unrestricted vehicular access from the Property to the public right of way of W. 19th Street, including by perpetual easement over the alley, the centerline of which forms the eastern boundary of the Property, and to the extent necessary, by perpetual easement over the private right of way known as "Front Street", and by perpetual easement approved by Purchaser during the Investigation Period, the public rights of way of Main Street and Riverfront Parkway, and appropriate access to all public utilities (other than gas which is not present at the Property), that Purchaser requires to service the Property. Seller will utilize the services of RLS Group, LLC and Ragon Smith Civil Engineers to facilitate all surveying and engineering needs related to the subdivision, and Purchaser agrees to reasonably consider them for its surveying and civil engineering requirements with respect to the Property, and if Purchaser reasonably determines not to use their services, Seller will reasonably cooperate with Purchaser in selecting alternative professionals.

(f) **Tap Fees.** Purchaser shall be responsible for and agrees to pay all utility tap fees payable to public utilities with respect to the Property. This subsection (f) shall survive the Closing.

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(g) **Utilities.** To the extent water, sanitary and storm sewer, electric, internet and telephone lines are not available at the boundary of the Property or in the right-of-way or access drive adjacent to the Property, Seller, at its sole cost and expense, shall extend such utilities to the boundary of the Property in locations reasonably acceptable to Purchaser. If not currently available, Seller shall be responsible for the installation of lines to connect the foregoing utilities in accordance with applicable utility company and governmental requirements and shall pay the cost thereof. To the extent necessary, Seller will provide Purchaser with all necessary construction and permanent easements for such utilities (including natural gas, should Purchaser desire its installation) without charge in order to install and maintain such easements.

(h) **Environmental Matters.** Subject to the provision of Section 4(a) hereof, Purchaser during the Investigation Period, shall have the right, at its expense, to conduct such environmental site evaluations of the Property as Purchaser deems appropriate, including but not limited to, Phase I and Phase II environmental site assessments and baseline environmental assessments (collectively, the **"Site Investigation Reports").** Such evaluations may include but are not limited to, soil sampling, soil borings, vapor sampling, ground water sampling, including drilling, installing, maintaining, operating and removing ground water monitoring wells. If such investigations reveal or disclose conditions that are not acceptable to Purchaser in its sole discretion, and if Seller refuses or fails to remediate such conditions in a manner acceptable to Purchaser in its sole discretion, prior to Closing, then Purchaser shall have the right to terminate this Agreement in accordance with Section 5 below. Copies of all Site Investigation Reports will be delivered to Seller prior to the expiration of the Investigation Period, and if Purchaser terminates this Agreement, the originals thereof will be delivered to Seller upon request.

(i) **TDEC Agreements.** Purchaser hereby acknowledges that the Property and adjacent parcels are subject to, and the Property will be conveyed subject to that certain Notice of Land Use Restrictions effective May 25, 2018 between the Tennessee Department of Environment and Conservation ("TDEC") and Alstom Power, Inc. recorded on May 30, 2018 in Book 11359, Page 240 in the Register's Office of Hamilton County Tennessee ("ROHC"), as amended from time to time (the "Land Use Restrictions"), including without limitation the Site Management Plan attached thereto, as amended by that certain Site Management Plan, Revision 1.0, for Project Antares, Project Ceres, and Former SIAG Aerisyn, Terracon Project No. E2187007, prepared by Terracon Consultants, Inc., dated January 30, 2020 ("Site Management Plan"), and with that certain Brownfield Voluntary Agreement dated March 4, 2018 with TDEC for Site Number 33-762, as amended from time to time (the "Brownfield Agreement"). Purchaser will review the foregoing during the Investigation Period.

(j) **Governmental Incentives.** During the Investigation Period, Purchaser will apply for, attempt to obtain or seek new or existing governmental incentives, tax abatements, benefits, entitlements, approvals or permits related to Purchaser's intended use of the Property, or which Purchaser otherwise deems necessary or desirable, in Purchaser's sole discretion, in order to utilize the Property for Purchaser's intended use (collectively, **"Governmental Incentives").** Purchaser's obligations under this Agreement to close on the purchase of the Property shall be expressly contingent on Purchaser's receipt of all such Governmental Incentives, including, but not limited to, property tax abatements on the Property and personal property additions to the Property and other incentives from the city of Chattanooga and Hamilton County, and grants, credits, and other incentives from the state of Tennessee and its Department of Economic and Community Development ("TN ECD"), and the Tennessee Valley Authority ("TVA"), all on terms satisfactory to Purchaser in its sole discretion. Seller agrees that, during the term of this Agreement, Seller will reasonably cooperate with (and will not oppose), any applications that Purchaser, at its sole expense, desires to submit to any governmental authorities in connection with obtaining any such Governmental Incentives or information in furtherance of Purchaser's intended use of the Property. If, at any time during the Investigation Period, Purchaser determines that it cannot obtain the Governmental Incentives on terms and conditions acceptable to Purchaser, in Purchaser's sole discretion, then Purchaser shall have the right to (i) terminate this Agreement in accordance with Section 5 below, or (ii) in addition to Purchaser's extension rights under Section 4(a), unilaterally extend the Investigation Period until 11:59 p.m. on June 10, 2021 **("Investigation Period Extension")** upon notice to Seller **("Investigation Period Extension Notice"),** said Investigation Period Extension Notice to be given to Seller prior to the expiration of the Investigation Period and to specify which of the Governmental Incentives have not been obtained.

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(k) **Governmental Approvals.** Purchaser's obligations under this Agreement to close the purchase of the Property shall be conditioned on receipt during the Investigation Period of all governmental, zoning, architectural, design, and building code approvals necessary or desirable for Purchaser's operation of the Properly for Purchaser's intended use, including, but not limited to, special use permits, demolition permits, site plan approval, land division approvals, building permits and certificates of occupancy (collectively, **"Governmental Approvals").** Such Governmental Approvals shall include, but are not limited to, site plan, zoning, special use and any other approvals desired by Purchaser of the Property by governmental bodies or agencies that have jurisdiction over or otherwise govern the Property. Seller agrees that, during the term of this Agreement, Seller reasonably will sign and support (and will not oppose) any applications that Purchaser desires to submit to any governmental authorities in connection with obtaining any such Governmental Approvals or information in furtherance of Purchaser's intended use and development of the Property. If Purchaser is unable to obtain all desired Governmental Approvals on terms and conditions acceptable to Purchaser, in its sole discretion, then Purchaser shall have the right to terminate this Agreement in accordance with Section 5 below.

(1) **Existing Leases or Occupancy Agreements.** Purchaser's obligations under this Agreement shall be conditioned on Seller terminating any lease or other occupancy rights with regard to the Property prior to Closing. If Seller is unable to secure the termination of such leases or other occupancy rights prior to Closing on terms and conditions acceptable to Purchaser, in its sole discretion, then Purchaser shall have the right to terminate this Agreement in accordance with Section 5 below.

5. **Right to Terminate; Refundability of Deposit.** If any of the Conditions Precedent set forth in Section 4 above are not fulfilled or satisfied in accordance with their respective terms, or if Purchaser is dissatisfied with the Property or Purchaser's intended use of the Property, for any reason whatsoever, then Purchaser shall have the right to either *(a)* waive such condition and proceed to Closing; or *(b)* terminate this Agreement by delivery of written notice of termination to Seller and the Title Company (the **"Termination Notice").** If Purchaser terminates this Agreement pursuant to its rights under this Section 5, and the Termination Notice is sent on or before the expiration of the Investigation Period, or solely with respect to the Governmental Incentives prior to the expiration of the Investigation Period Extension, then the full amount of the Deposit shall be immediately refunded to Purchaser by Escrow Agent. On such termination of this Agreement by Purchaser, all rights and obligations of the Parties shall immediately and forever terminate, with the exception of those rights and obligations that are expressly intended to survive termination of this Agreement. If Purchaser does not terminate this Agreement on or before the expiration of the Investigation Period, or solely with respect to the Governmental Incentives, prior to the expiration of the Investigation Period Extension, then the Deposit will be non-refundable to Purchaser except in the event of a default by Seller as provided in Section 15 hereof.

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6. **Closing**. The consummation of the purchase and sale contemplated by this Agreement (the **"Closing")** shall be held in escrow through the Title Company, as mutually agreed by the Parties, on a date mutually agreed to by the Parties within thirty (30) days after the expiration of the Investigation Period, or, if applicable, within two (2) business days after the expiration of the Extended Investigation Period, but not later than June 15, 2021 (the **"Closing Deadline").** At Closing, Seller shall make the Seller Closing Deliveries described in Section 7 below and Purchaser shall make the Purchaser Closing Deliveries described Section 8 below.

7. **Seller's Closing Deliveries.** At the Closing, Seller shall deliver to the Title Company, for delivery to Purchaser, the following items, which shall be in a form and substance reasonably satisfactory to Purchaser:

(a) The Plat recorded in the ROHC.

(b) A limited warranty deed ("Deed") in the form attached hereto as **Exhibit C,** conveying to Purchaser title to the Property subject only to the lien of ad valorem property taxes not yet due and payable, the Permitted Exceptions, and any other exceptions to title approved by Purchaser in its sole discretion, executed and acknowledged by Seller and in recordable form;

(c) A permanent and perpetual non-exclusive easement in form and content to be reviewed and accepted by Purchaser and Seller prior to the end of the Inspection Period (or Investigation Period Extension), from Seller's affiliate, West End Loading LLC ("Seller Affiliate") (and other property owners, if necessary) granting vehicular and truck access between the Property and the River Barge Crane ("Crane") as shown on **Exhibit D** and also providing for Purchaser's periodic use and operation, without charge, of the Crane and the adjacent pier and for the maintenance, repair and replacement thereof by the Seller Affiliate and its successors in interest ("Crane Easement").

(d) A mutual environmental indemnity agreement (the "Mutual Indemnity Agreement") (which also is to be executed by Purchaser), running with the land, under which Seller and Purchaser mutually indemnify each other with respect to losses, costs and damages caused by the activities of Seller or Purchaser on their respective properties, which both (i) adversely affect the other's property, and (ii) are in violation of the Land Use Restrictions, the Site Management Plan or the Brownfield Agreement.

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(e) All easements, covenants, and restrictions contemplated in this Agreement, or specified in the Plat, or necessary to remove, correct, remedy, or insure over, the Title Objections and provide for stormwater drainage and access which Seller is obligated to resolve with Purchaser's reasonable cooperation.

(f) At Purchaser's expense, an ALTA owner's policy of title insurance from the Title Company based on the Title Commitment that is reasonably acceptable to Purchaser, in an amount not less than the Purchase Price, insuring Purchaser as owner of fee simple, indefeasible title to the Property and the appurtenant Crane Easement, with full extended coverage over all general exceptions, free and clear of any and all liens and other encumbrances, and subject only to the lien of ad valorem property taxes not yet due and payable, the Permitted Exceptions, and any exceptions to title approved by Purchaser in its sole discretion and such other endorsements ordered and paid for by Purchaser except as required to be paid by Seller to cure or remedy any Title Objections (the **"Title Policy");**

(g) Such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller or to satisfy all other requirements set forth in the Title Commitment which are reasonably required by the Title Company;

(h) An affidavit of ownership as reasonably required by the Title Company in order to induce the Title Company to omit the standard exceptions from its policy of owner's title insurance;

(i) A certificate in such form as may be required by the Internal Revenue Service pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended, or the regulations issued pursuant thereto, certifying as to the non-foreign status of a transferor;

(j) Terminations of any lease or other occupancy agreement affecting the Property;

(k) Possession and occupancy of the Property to Purchaser;

(1) An assignment and delivery of all claims, guaranties, warranties, indemnities and all other rights, if any, that Seller may have against suppliers, laborers, materialmen, contractors or subcontractors arising out of or in connection with the installation, construction and maintenance of the improvements, fixtures and personal property on or about the Property, together with the originals of all such guaranties, warranties and such similar instruments and copies of any prior assignments thereof to Seller;

(m) An assignment of all Property Reports, if any, including all plans and specifications relating to the Property and all licenses, permits, and certificates of occupancy, or such other comparable certificates or documents issued by the appropriate governmental authority, with respect to the Property or any part of the Property or the operation thereof as well as any other documentation as may be required by any statute, law, ordinance or regulation to allow the consummation of this sale;

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(n) A limited warranty bill of sale in a form and substance reasonably acceptable to Purchaser;

(o) A non-exclusive easement expiring June 30, 2023, in form and content reasonably acceptable to Purchaser, from Seller and Seller's affiliates having ownership interests in the TDEC regulatory sites which are subject to the Site Management Plan (collectively, the "Site") granting access to and use of the Site for the purposes described in the Site Management Plan, including the use of other portions of the Site, in locations reasonably acceptable to Seller, for the relocation of soils removed from the Property as a result of grading or excavation activities from time to time, in accordance with the Site Management Plan and in coordination with Seller (or its affiliates) and TDEC (the "Environmental Easement"); and

(p) Such other documents, including a signed Closing Statement, as are necessary and appropriate for the consummation of this transaction by Seller or reasonably requested by Purchaser or the Title Company.

8. **Purchaser's Closing Deliveries**. At Closing, Purchaser shall deliver to the Title Company:

(a) An agreement in form reasonably acceptable to Seller:

(i) not to amend (so long as Seller owns any parcel of real property adjacent to the Property) the Land Use Restrictions, the Site Management Plan or the Brownfield Agreement in any manner that would affect Seller's remaining property which is subject thereto, without Seller's prior written consent, which won't be unreasonably withheld, conditioned or delayed;

(ii) to pay TDEC or reimburse Seller, as applicable, for post-closing fees charged by TDEC for approvals, oversight and administration of the Land Use Restrictions, the Site Management Plan and the Brownfield Agreement with respect to the Property (but not Seller's remaining property) and any penalties imposed by TDEC with respect to the Property which are caused by activities of Purchaser or Purchaser's agents, tenants, contractors or other representatives;

(b) the Mutual Indemnity Agreement;

(c) an agreement that, provided that Seller has not breached its representations contained in Section 10 of this Agreement, Purchaser will not bring or initiate any claim for damages against Seller with respect to Hazardous Materials which are located on or under the Property as of the date of the Closing;

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(d) for disbursement to Seller, the Purchase Price, as adjusted by the Deposit and other credits and debits as set forth on the Closing Statement to be prepared by the Title Company; and

(e) such other documents, including a signed Closing Statement, as are necessary and appropriate for the consummation of this transaction by Purchaser.

9. **Closing Costs and Prorations.** Seller shall pay *(a)* all county and state transfer and conveyance taxes assessed in connection with the Closing and recording the Deed, and all recording costs for recordation of the Deed, the Crane Easement, and any easements, covenants, and restrictions contemplated under this Agreement or necessary to remove, correct, or remedy, the Title Objections which Seller is obligated to resolve, *(b)* any endorsements to the Title Policy, if any, necessary to cure Title Objections, *(c)* the cost of preparation and recording of the Plat, and *(d)* one half (½) of the Title Company's closing fee in connection with this transaction. Purchaser shall pay *(i)* the cost of the Title Commitment and the Title Policy, *(ii)* the cost of the Survey, and *(iii)* one half (½) of the Title Company's closing fee in connection with this transaction. Seller shall be responsible for and pay all past due taxes at or prior to Closing. Taxes and installments of special assessments for the year of Closing shall be prorated as of the date of Closing on a calendar year basis and shall be based on taxes coming due and payable in the calendar year of Closing. If the actual assessed value or tax rate for any taxes or assessments are not known on the date of Closing, the taxes shall be prorated based upon the most recently published tax rates and assessments for the Property. Should Seller appeal or begin the appeal process for any taxes or fees for any time period prior to the Closing, Seller shall be entitled to such funds should Seller's appeal be successful. Seller shall be solely and exclusively responsible for payment in full of all special assessments against the Property due prior to Closing, if any. Other regular and customary costs and expenses related to the Property shall also be prorated based on the date of Closing, including, without limitation, water, sewer, utility charges and other payables. To the extent appropriate for the adjustment of the foregoing amounts to achieve the requirements of this Section 9, the terms of this Section 9 shall survive Closing. Each Party shall pay its own attorneys' fees in connection with this transaction.

10. **Representations and Warranties of Seller.** Seller hereby covenants, represents and warrants to Purchaser, which representations and warranties shall survive Closing for a period of one (1) year, that as of the Effective Date, and on the date of Closing:

(a) Seller has the full right, power and authority to enter into this Agreement and to sell the Property in accordance with the terms of this Agreement. Seller has the full right, power and authority to enter into all of the agreements, assignments and other documents contemplated by this Agreement. The individuals signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Seller are and shall be duly authorized to sign the same on Seller's behalf and to bind Seller to such documents.

(b) Seller has not received any notice of, and has no Knowledge of, existing material violations on the Property, of any zoning, building, fire, health, pollution, environmental protection, hazardous or toxic substance or waste disposal law or ordinance.

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(c) There are no existing leases, rights of first refusal, rights of first offer, options or other lease agreements in effect with respect to occupancy or ownership of the Property, other than Hamilton County Health Department and Micronics (which will be limited to a location reasonably acceptable to Purchaser), which will be terminated prior to Closing.

(d) Except as disclosed in the Property Reports, there are no agreements, or to Seller's Knowledge, obligations or other rights of third parties against the Property.

(e) Seller has no Knowledge of any persons or entities claiming a right to possession of the Property.

(f) Except for the necessary easements to be created during the subdivision process, to Seller's Knowledge, Seller's title to the Property will be disclosed accurately in the Title Commitment; and to Seller's Knowledge, except as disclosed in the Property Reports, there are no assessments presently outstanding or unpaid for improvements on the Property or otherwise that have or may become a lien against the Property. Further, Seller has no Knowledge of public improvements that have been ordered to be made for the benefit of the Property or that have not been completed, assessed and paid for.

(g) Except to the extent disclosed in the Property Reports, performance of the obligations under this Agreement by Seller do not and will not require any consent or approval of any person or entity which is not a party to this Agreement, and do not and will not result in a breach of any agreement or instrument to which Seller is a party.

(h) There is no litigation, proceeding or governmental investigation pending or, to Seller's Knowledge, threatened against or involving the Property or Seller's interest in the Property, and Seller does not know of any grounds for any such litigation, proceeding or investigation that would have a material adverse impact on Purchaser or Seller's interest in or title to or use of the Property.

(i) Seller represents and warrants that, to Seller's Knowledge, the Property and Seller are in material compliance with all requirements of applicable federal, state and local environmental, health or safety laws, regulations and administrative or judicial decrees, as amended (the **"Environmental Laws")** with respect to the Property, including without limitation, the TDEC agreements described in Section 4(i) hereof; are not the subject of any "Superfund" evaluation or investigation with respect to the Property; and to Seller's Knowledge, are not the subject of any federal or state investigation or administrative proceeding evaluating whether any remedial action is necessary to respond to a release of any Hazardous Substance (defined below) with respect to the Property. In addition, Seller, to its Knowledge, (*i*) has not used, generated, stored, transported, disposed of, produced or processed any Hazardous Substance on the Property, except in material compliance with applicable Environmental Laws; (*ii*) has not caused or permitted or has any knowledge of any release, disposal or discharge of any Hazardous Substance on the Property in violation of applicable Environmental Laws; (*iii*) has obtained all material permits, licenses and other authorizations for the Property which are required under the Environmental Laws and has at all times been in material compliance with the Environmental Laws for the Property, except to the extent failure to have any such permit, license or authorization would not, individually or in the aggregate, have a material adverse effect; (*iv*) has not transported or arranged for the transportation from the Property of any Hazardous Substance to any location which is listed, or listed for possible inclusion, on the National Priorities List under CERCLA or on any similar state list or which is the subject of federal, state or local enforcement actions or other investigations; and (*v*) with respect to the Property, has not filed any notice of claim or presented any claim to any insurance company for coverage related to any environmental matters. As used in this Section 10(i), the term **"Hazardous Substance"** means any toxic or hazardous waste, pollutants or substances, including, but without limitation, asbestos, PCBs, petroleum products and byproducts, substances defined or listed as "hazardous substances" or "toxic substances" or similarly identified pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et. seq., and any other hazardous or toxic substances or pollutants regulated under other applicable Environmental Laws.

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(j) With the exception of the Property Reports that will be delivered to Purchaser, to Seller's Knowledge, there are no material reports, studies, appraisals, engineering reports, correspondence, agreements with governmental authorities, wetland studies or reports, flood plain studies or reports or other written information related to the Property that are in Seller's reasonable possession or control.

(k) If any claim is made against the Property by any party for the payment of any amount due for the furnishing of labor or materials to the Property or Seller prior to Closing, or if any lien is filed against the Property subsequent to Closing as a result of the furnishing of such materials or labor prior to Closing, then Seller promptly shall pay said claim and discharge said lien; provided, however, that if Seller desires to challenge or contest any such claim, then Seller must first bond over or place into escrow the amount reasonably necessary to pay such claim.

(1) The Property is insured under a policy of comprehensive liability insurance, which will be kept in full force and effect until the Closing.

(m) Neither Seller, nor any principals or partners or members of Seller, is a "Foreign Person" within the meaning of the Internal Revenue Code Section 1445(f)(3).

(n) Seller has no Knowledge of material latent defects to the structural improvements located on the Property.

(o) To Seller's Knowledge, all electrical, mechanical, water, storm water, sewer, elevator and other utility systems servicing the Property are in serviceable condition, reasonable wear and tear excepted.

(p) Between the Effective Date and the Closing, Seller shall not commit any action that constitutes material waste of the Property.

For purposes of this Section 10 and as used throughout this Agreement, the phrase **"Seller's Knowledge"** or words of similar import as used in this Agreement shall mean the current, actual knowledge of James K. White III **("Seller's Designated Representative"),** who Seller represents, and warrants is in a reasonable position to know the truth or the falsity of each representation and warranty of Seller contained in this Agreement. This reference to such Seller's Designated Representative does not impose personal liability on such Seller's Designated Representative for the representations and warranties contained herein; provided, however, such limitation of liability shall in no way limit Seller's liability for any breach of Seller's representation and warranties contained herein.

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In addition to the Indemnification remedies set forth in Section 12 below, if prior to the Closing, Purchaser shall discover that any of Seller's representations and warranties are incorrect in any material respect, Purchaser, at its option, shall have the right to terminate this Agreement by giving written notice to Seller with no liability on its part and recover from Seller all reasonable costs and expenses necessarily incurred and actually paid by Purchaser as a result of Seller's material breach of such representations and warranties and shall receive a refund of the Deposit and any interest accrued thereon.

11. **Representations and Warranties of Purchaser.** Purchaser hereby represents and warrants to Seller, which representations and warranties shall survive Closing, that as of the Effective Date, and on the date of Closing:

(a) Purchaser has the full power and authority to execute, deliver and perform this Agreement and all of Purchaser's obligations under this Agreement.

(b) The individuals signing this Agreement and all other documents executed or to be executed pursuant to this Agreement on behalf of Purchaser are and shall be duly authorized to sign the same on Purchaser's behalf and to bind Purchaser to such documents.

(c) Purchaser acknowledges that the Property is part of a master development known as the Bend, and it will reasonably cooperate with Seller during Seller's ongoing construction and development of the Bend with respect to the temporary closures of the drives and streets that are located to the North of the Property and over which Purchaser has access easements. Purchaser also agrees to reasonably cooperate with Seller for future events within the Bend provided Seller gives adequate notice of such to Purchaser, and such events do not interfere with Purchaser's business on, and reasonable access to, the Property. Purchaser's hereinabove agreement regarding cooperation shall survive Closing.

12. **Indemnification.**

(a) For a period of one (1) year after Closing **("Warranty Expiration"),** Seller agrees to indemnify and hold Purchaser harmless from and against any and all liabilities, claims, demands, and expenses, of any kind or nature, (including court costs and reasonable attorneys' fees) arising from or related to the material inaccuracy or breach of any of Seller's representations and warranties set forth in Section 10 hereof. Purchaser must notify Seller in writing of any claim prior to the Warranty Expiration.

(b) Purchaser agrees to indemnify and hold Seller harmless from and against any and all liabilities, claims, demands, and expenses, of any kind or nature, including but not limited to, all expenses related thereto, including, without limitation, court costs and reasonable attorneys' fees for matters arising from or related to (*i*) the inaccuracy or breach of any of Purchaser's representations and warranties; or (*ii*) Purchaser's investigation of the Property under Sections 4(a) and 4(c) of this Agreement, or otherwise, or Purchaser's use or ownership of the Property subsequent to Closing.

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(c) This Section 12 will survive Closing as provided in this Agreement.

13. **Use of the Property.** During the term of this Agreement, other than those easements provided for under this Agreement or necessarily associated with the subdivision of the Property and in either case acceptable to Purchaser, Seller warrants and covenants that it shall not, without Purchaser's written consent, (*a*) grant, convey or enter, any easement, lease, license or other legal or beneficial interest in or to the Property, (*b*) enter into any contract, service contract, option agreement to transfer, convey or encumber the Property or any portion of the Property, or (*c*) materially change the physical condition of the Property or, except as otherwise provided in this Agreement, allow a material change in the physical condition of the Property to occur. Seller further warrants that, on receipt of any knowledge or notice of any threatened or pending condemnation, action in lieu of condemnation, zoning change, assessment, lien, claim, encumbrance or other similar matter that may affect the Property, its operation or development, Seller shall promptly notify Purchaser of such matter. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, Seller shall continue to operate and maintain the Property in all material respects, in the same manner as prior to the Effective Date.

14. **Condemnation; Casualty.** Prior to Closing, Purchaser shall have the right to terminate this Agreement if the Property is materially damaged by fire, flood or if the Property is destroyed without fault of Purchaser or any part of the Property is taken or is threatened to be taken by eminent domain. Purchaser shall give written notice of Purchaser's election to terminate this Agreement within ten (10) business days after Purchaser receives written notice from Seller or otherwise of any such damage or threatened condemnation. In the event of such a termination by Purchaser, the Title Company or Seller shall immediately refund to Purchaser the Deposit, and any interest accrued thereon, and the rights and obligations of the Parties shall terminate.

15. **Default and Remedies.**

(a) **Purchaser's Default; Seller's Remedy.** If all of the Conditions Precedent set forth in Section 4 above are fulfilled and Purchaser fails to close on the purchase of the Property due to Purchaser's material default under this Agreement, and if Seller is not otherwise in material default of this Agreement, then Seller shall be entitled to the full amount of the Deposit, and any interest accrued thereon, as liquidated damages as Seller's sole and exclusive remedy, and on payment to Seller of such amount, this Agreement and all rights and obligations of the Parties shall terminate except as otherwise set forth in this Agreement. The Parties agree that it would be impracticable and extremely difficult to ascertain the actual damages suffered by Seller as a result of Purchaser's failure to complete the purchase of the Property and that under the circumstances existing as of the Effective Date, the liquidated damages provided for in this Section represents a reasonable estimate of the damages that Seller will incur as a result of such failure. The Parties acknowledge that the payment of such liquidated damages is not intended as a forfeiture or penalty, but is intended to constitute liquidated damages to Seller.

(b) **Seller's Default; Purchaser's Remedies.** If Seller fails to timely perform any material act, or provide any material document or information required to be provided by Seller, or if any material representation and warranty made by Seller pursuant to this Agreement is untrue when made, then Purchaser shall be entitled to either (*i*) terminate this Agreement, receive a refund of the Deposit and any interest earned thereon and seek Purchaser's actual direct and reasonably verifiable third-party expenses arising from Seller's breach; or (*ii*) seek specific performance of this Agreement.

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(c) **Attorneys' Fees.** The prevailing party (*i.e.*, the party recovering substantially the relief sought, if any) in any legal proceeding brought under or with relation to this Agreement or transaction shall be entitled to recover court costs, reasonable attorneys' fees and all other litigation expenses from the non-prevailing party.

16. **Assignment of Agreement.** Purchaser has executed this Agreement subject to its absolute and unconditional right to assign all of its right, title and interest in this Agreement to an existing entity, an entity to be formed, or an individual if the entity or individual is affiliated with Purchaser. Seller agrees to consummate this transaction with any such assignee, provided that Purchaser will continue to be liable hereunder.

17. **Further Assurances.** The Parties each agree to execute, acknowledge, deliver and do all such further acts, instruments and assurances, and to take all such further action before or after the Closing as shall be reasonably necessary to fully carry out this Agreement and to fully consummate and effect the transactions, rights and obligations set forth in and contemplated by this Agreement. Such assurances shall include working together in good faith and cooperating, both prior to and after Closing, with regard to achieving the prorations contemplated by this Agreement. This provision shall survive Closing.

18. **Brokers.** Seller and Purchaser represent and warrant to each other that neither has had dealings with any realtor or other real estate broker or agent in connection with the sale of the Property or the negotiation of this Agreement, other than Rise Partners, LLC which is Purchaser's broker (**"Purchaser's Broker"**). Seller shall pay and hold Purchaser harmless with respect to any compensation owing to Purchaser's Broker in connection with the transaction contemplated by this Agreement pursuant to a separate written agreement. The obligations contained in this Section will survive Closing or any other termination of this Agreement.

19. **Tax Free Exchange.** If Seller elects to close the sale of the Property as part of a Section 1031 tax-free exchange, Purchaser agrees to cooperate with Seller as reasonably requested, so long as Purchaser is not required to enter into the chain of title of any property other than the Property or to incur any costs, expense obligations or liabilities with reference to such exchange or exchange property or properties, the party performing such exchange shall bear all costs and expenses generated by such election (including, but not limited to, any increase in legal fees associated therewith), and the Closing Deadline is not delayed, and the Purchase Price is not affected. Seller and Purchaser agree that (*i*) Seller may assign its right, title and interest in this Agreement to a qualified intermediary in order to facilitate a deferred like-kind exchange, provided that such assignment does not release Seller from its obligations hereunder; (*ii*) that Purchaser shall have no recourse whatsoever against the qualified intermediary under this Agreement; and (*iii*) Purchaser shall execute any and all documents reasonably necessary to consummate the assignment of Seller's right, title and interest in this Agreement to the qualified intermediary.

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If Purchaser elects to close the sale of the Property as part of a Section 1031 tax-free exchange, Seller agrees to cooperate with Purchaser as reasonably requested, so long as Seller does not incur any additional costs, the Closing Deadline is not delayed, and the Purchase Price is not affected. Seller and Purchaser agree that (*i*) Purchaser may assign its right, title and interest in this Agreement to a qualified intermediary in order to facilitate a deferred like-kind exchange, provided that such assignment does not release Purchaser from its obligations hereunder; (*ii*) that Seller shall have no recourse whatsoever against the qualified intermediary under this Agreement; and (*iii*) Seller shall execute any and all documents necessary to consummate the assignment of Purchaser's right, title and interest in this Agreement to the qualified intermediary.

20. **Miscellaneous.**

(a) TIME IS OF THE ESSENCE OF ALL UNDERTAKINGS AND AGREEMENTS OF THE PARTIES HERETO.

(b) This Agreement shall be governed by and construed under the laws of the state of Tennessee.

(c) This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one and the same instrument.

(d) Should any provision of this Agreement require judicial interpretation, it is agreed that the court interpreting or construing the same shall not apply a presumption that the terms of this Agreement shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent prepared the same, it being agreed that the agents of all Parties have participated in the preparation of this Agreement.

(e) This Agreement supersedes all prior discussions and agreements between Seller and Purchaser with respect to the conveyance of the Property and all other matters contained in this Agreement and constitutes the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and signed by both Seller and Purchaser.

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(f) All notices, payments, demands or requests required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to have been properly given or served and shall be effective on (*i*) personal delivery; or (*ii*) on the second (2nd) business day after being deposited in the United States mail, postpaid and registered or certified with return receipt requested; or (*iii*) when sent by private courier service for same-day delivery; or (*iv*) one (1) day after being sent by private courier service for next-day delivery; or (*v*) on the business day that such notice or other communication is sent by facsimile, electronic mail or similar electronic device. The time period in which a response to any notice, demand or request must be given shall commence on the date of receipt by the addressee of such notice, demand or request. Rejection or other refusal to accept delivery or inability to deliver because of changed address, of which no notice has been given, shall constitute receipt of the notice, demand or request sent. Any such notice, demand or request shall be sent to the respective addresses set forth below:

If to Seller:	West End Property II, LLC c/o Urban Story Ventures 735 Broad Street Suite 100 Chattanooga, TN 37402 Attention: James K. White III, President Email: jimmy.white@,urbanstoryventures.com
with a copy to:	Brad Shumpert Chief Legal Officer Urban Story Ventures 735 Broad Street Suite 100 Chattanooga, TN 37402 Email: brad.shumpert@urbanstoryventures.com
If to Purchaser:	PUREGraphite, LLC 353 Corporate Place Chattanooga, TN 37419 Attention: John Christopher Burns, CEO Daniel Deas, COO Nick Liveris, CFO Rnhprt T Natter Executive Director Email: Chris@,novonixgroup.corn danny@puregraphite.com nick@novonixgroup.com rjnatter@,natterllc.com
with a copy to:	Miller & Martin PLLC Attention: James M. Haley IV Suite 1200 Volunteer Building 832 Georgia Avenue Chattanooga, TN 37402 Email: james.haley@millermartin.com
with a copy to:	Rise Partners, LLC Suite 502, Volunteer Building 832 Georgia Avenue Chattanooga, TN 37402 Attention: Wilson McGinness and John Tugman Email: wmcginness@risepartners.net Jtugman@risepartners.net

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(g) This Agreement shall inure to the benefit of and bind the Parties and their respective heirs, legal representatives, successors and permitted assigns.

(h) If any date of performance under this Agreement falls on a Saturday, Sunday or legal holiday, such date of performance shall be deferred to the next day which is not a Saturday, Sunday or legal holiday.

(i) In case one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision is severed and deleted from this Agreement.

(j) The Parties acknowledge that this transaction contemplates only the sale and purchase of the Property, and that Seller is not selling a business nor do the Parties intend that Purchaser be deemed a successor of Seller with respect to any liabilities of Seller to any third party other than liabilities arising from and after the Closing to utility companies for utility service furnished to the Property.

(k) During the term of this Agreement, Seller will not, and will not permit any agent, to entertain or accept any other offer, or negotiate, solicit interest or offers, or otherwise enter into discussions involving the sale, financing, disposition of all or any portion of the Property;

(1) All negotiations regarding this Agreement, the existence of this Agreement, the terms and conditions of this Agreement and the results of all inspections, studies, and similar reports relating to the Property, shall be kept confidential, and the Parties will not disclose any such information to any other persons, other than the Parties' respective advisors and internal staff and necessary third parties such as, for example, prospective investors or lenders, and the governmental entities being requested to grant the Governmental Incentives. No press release or other publicity release shall be issued by the Parties to the general public concerning the proposed transaction under this Agreement without mutual consent, unless required by law, and then only on prior written notice to the other party.

(m) Neither the Title Company, in its capacity as escrow agent, nor any of its directors, officers or employees shall be liable to anyone for any action taken or omitted to be taken by it or any of its directors, officers, or employees hereunder except in the case of gross negligence or willful misconduct. Purchaser and Seller, jointly and severally, covenant and agree to indemnify Title Company and hold it harmless from and against any loss, liability or expense of any nature incurred by Title Company arising out of or in connection with the administration of its duties hereunder with respect to the Deposit, including but not limited to reasonable legal fees and others costs and expenses of defending or preparing to defend against any claim or liability in the premises, unless such loss, liability or expense shall be caused by Title Company's willful misconduct or gross negligence.

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(n) The terms and conditions in this Agreement supersede in their entirety the terms of the March 12, 2021, Letter of Intent between the Parties with respect to the Property. There are no agreements or understandings between the Parties except as set forth herein. No modification, waiver, or other change to this Agreement will be valid unless the same is in writing and signed by the party to which the same is charged.

(o) The Effective Date of this Agreement will be the later of the dates on which this Agreement is executed by the Parties, as shown on the signature pages hereof.

[*Signature pages to follow.*]

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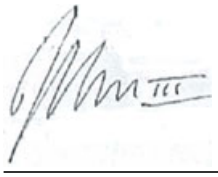
IN WITNESS WHEREOF, the Seller has entered into this Agreement as of the date first set forth above.

SELLER:

WEST END PROPERTY II, LLC, a Tennessee limited liability company

Date: April 12, 2021

By: 

James K. White III, President

[*Signature Page Continues*]

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IN WITNESS WHEREOF, the Purchaser has entered into this Agreement as of the date first set forth above.

PURCHASER:

PUREGRAPHITE, LLC, a Delaware limited liability company

Date: April 11, 2021

By: _____
John Christopher Burns, CEO

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EXHIBIT A
Depiction of Property

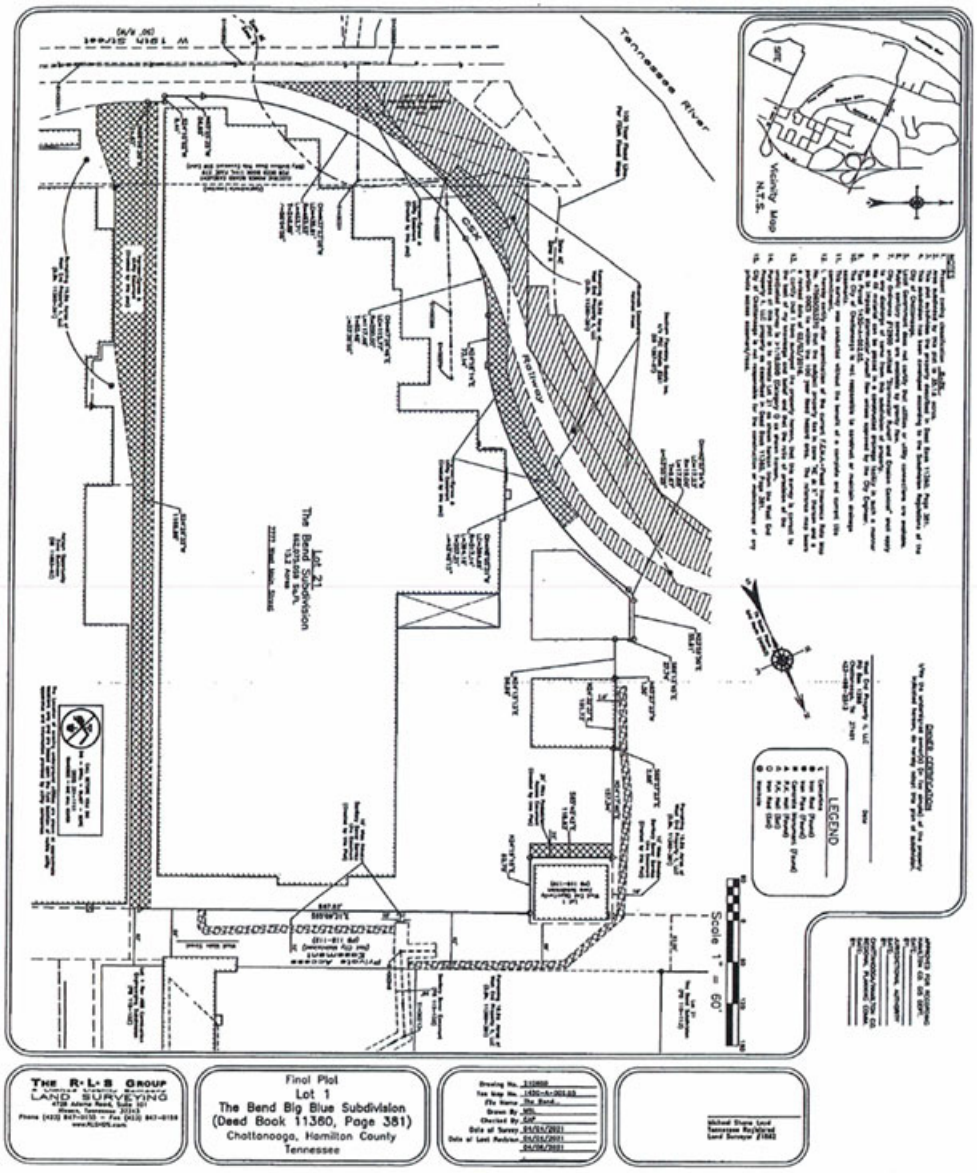

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EXHIBIT B

Property Reports

Seller shall deliver to Purchaser, within three (3) business days from the Effective Date, all of the following Property Reports to the extent the same are within Seller's possession or reasonable control, or are reasonably obtainable by Seller:

1. Receipted real estate tax bills for the past three years and any correspondence with local assessors and summaries of historic or current efforts to appeal, reduce or control taxes.

2. Copies of insurance policies or other reasonable evidence setting forth the limits of casualty coverage for the Property, and detailed information with respect to any fire or other casualty loss for which claims have been made on any insurance policy owned by Seller.

3. Copies of all current in force contracts with the Parties providing material services or property to the Property.

4. Copies of all current in force leases with the Parties currently occupying or having a right to occupy or operate from the Property.

5. Copies of all materials relating to the Crane, including without limiting the generality of the foregoing, materials relating to its access, operation, and physical condition.

6. List all of material recurring services that are not contracted for (include vendor, cost and frequency).

7. Copies of all documentation pertaining to Governmental Incentives, development incentives, tax abatements, tax credits and all other Governmental Incentives, including, without limitation, all documents related to prior Incentive Approvals and related and supporting materials.

8. Copies of all zoning, use, and occupancy permits, development approvals, site plan approvals, zoning approvals, master plan information, and all other governmental licenses, permits and approvals, including, without limitation, all Governmental Approvals and related and supporting materials, and all Governmental Incentives and related and supporting materials.

9. Copies of any existing environmental, ADA, structural, engineering, code compliance, and termite/infestation reports, including compliance plans and O&M manuals, including, without limitation, any and all Site Investigation Reports.

10. Zoning, building, health or environmental notices received from any governmental authority with jurisdiction over the Property, including, but not limited to, notices of violations of zoning, building, health or environmental laws, rules or regulations, if any.

11. Copies of all engineering reports, soil studies, drainage studies, environmental assessments or reports, and wetland and floodplain studies.

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12. Copies of all structural, mechanical, traffic, engineering, foundation inspection and repair, roof inspection and repair, and marketing reports and all addenda to such reports and correspondence in connection therewith.

13. Most recent "as built", boundary, and topographic surveys of the Property and all other surveys of the Property in Seller's possession or readily obtainable.

14. Most recent "as built" architectural and engineering plans and specifications.

15. Latest title reports in Seller's possession and latest Seller's title policy for the Property, together with copies of all appurtenant and burdening easements, licenses, covenants and restrictions, affecting the Property and its access to public rights of way, and railway lines, and to utilities serving the Property.

16. Listing and explanation of any pending litigation involving the Property.

17. List of personal property including maintenance parts inventory.

18. Any existing appraisals in Seller's possession or control.

19. Other items as reasonably requested by Purchaser after review of the aforementioned items.

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EXHIBIT "C"

Form of Limited Warranty Deed

This Instrument Prepared By:
Miller & Martin PLLC
832 Georgia Avenue, Suite 1200
Chattanooga, TN 37402-2289

Name and Address of New Owner:	**Send Tax Bills To:**	**Map and Parcel No.:**
PUREGRAPHITE, LLC		145G A 002.05

LIMITED WARRANTY DEED

FOR AND IN CONSIDERATION OF Ten Dollars ($10.00) and other good and valuable consideration, the receipt and legal sufficiency of all of which hereby are acknowledged, **WEST END PROPERTY II, LLC,** a Tennessee limited liability company (herein "Grantor") does hereby bargain, sell, transfer and convey unto **PUREGRAPHITE LLC,** a Delaware limited liability company (herein "Grantee") the property described on **Exhibit A** attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto Grantee, its successors and assigns, forever in fee simple.

Grantor covenants that it has full power and lawful authority to sell and convey the real estate and it will warrant and defend the title against all persons claiming the same by, through or under Grantor, but not further or otherwise.

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IN WITNESS WHEREOF, Grantor has executed this instrument on the_____ day of _____, 2021.

WEST END PROPERTY II, LLC, a Tennessee limited liability company

By: _____
James K. White III, President

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

Before me, the undersigned, a Notary Public in and for said county and state, personally appeared James K. White III, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged him/herself to be the President of **WEST END PROPERTY II, LLC,** the within named bargainor, a Tennessee limited liability company, and that he as such officer, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as President.

_____
Notary Public
Printed Name: _____
My Commission Expires;_____

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STATE OF_____)
COUNTY OF_____)

I,_____ , hereby swear or affirm that, to the best of my knowledge, information and belief, the actual consideration for this transfer, or the value of the property transferred, whichever is greater, is $41,500,000 which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

_____
Affiant-Grantee

Subscribed and sworn to before me
this_____ day of_____ , 2021.

_____
Notary Public

My Commission Expires:_____

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EXHIBIT "D"

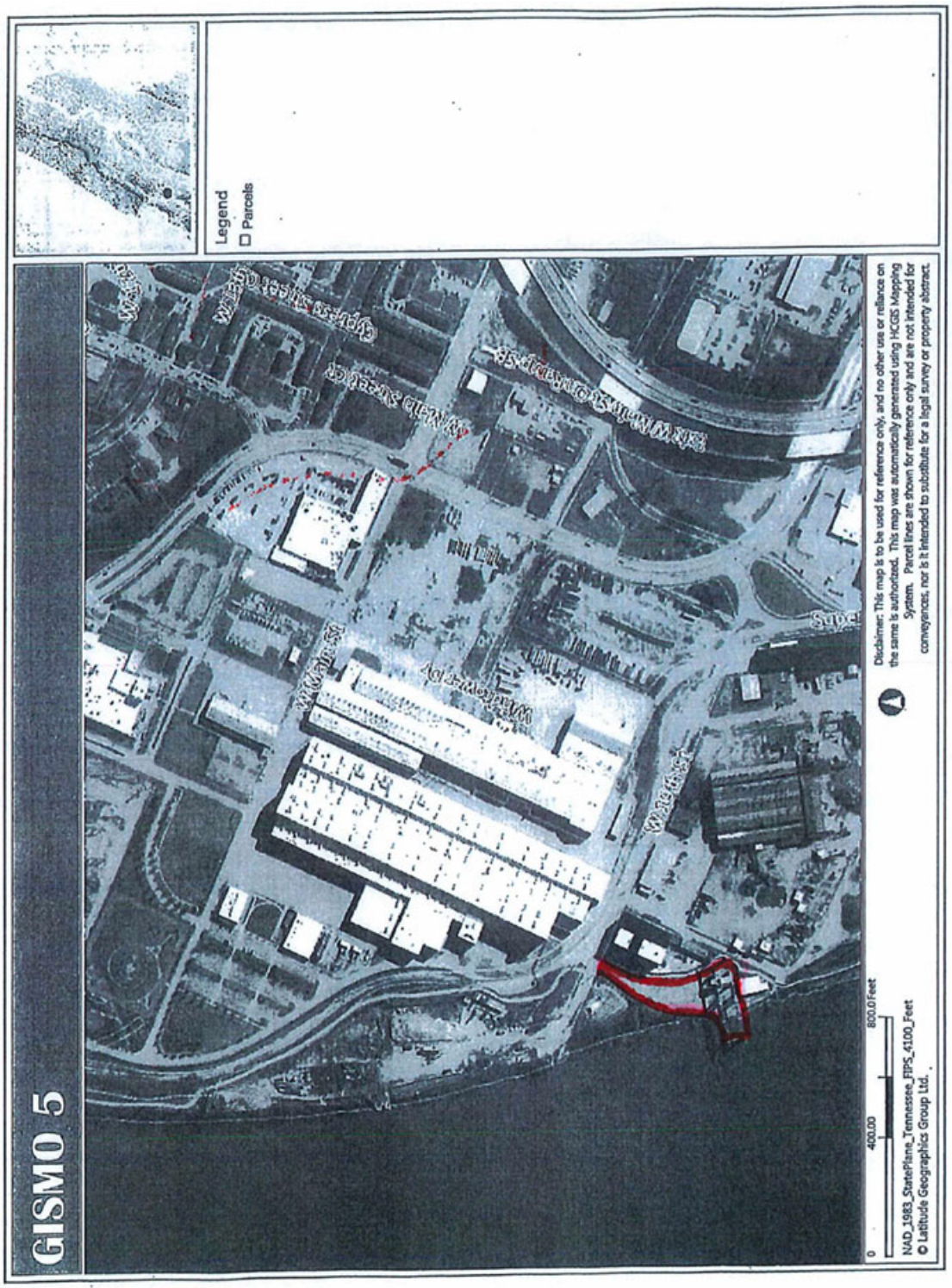

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Exhibit 4.5

FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this **"Agreement"**) is made as of June 9, 2021 (the **"Amendment Effective Date"**), between **WEST END PROPERTY II, LLC**, a Tennessee limited liability company (**"Seller"**), and **PUREGRAPHITE LLC,** a Delaware limited liability company (**"Purchaser"**). This Agreement refers to Seller and Purchaser collectively as the **"Parties."**

AGREEMENT

IN CONSIDERATION OF the mutual covenants and conditions set forth below, the Parties hereby agree as follows:

1. **Amendment**. This Amendment amends that certain Purchase and Sale Agreement between the Parties with an Effective Date of April 12, 2021 (hereinafter **"Original Agreement"**).

2. **Amendment to Section 4 of Original Agreement**. Section 4 of the **Original Agreement** is modified as follows:

> Notwithstanding any contrary provision of the **Original Agreement**, the **Investigation Period Extension** (as defined in Section 4(j) of the Original Agreement) is extended so as to expire at 11:59 p.m. on June 30, 2021.

3. **Amendment to Section 6 of Original Agreement**. Section 6 of the **Original Agreement** is modified as follows:

> Notwithstanding any contrary provision of the **Original Agreement,** provided that the investigations that are the subject of the Investigation Period Extension have been resolved by July 9, 2021, the **Closing** (as defined in Section 6) will occur on a date mutually agreed by the Parties, but not earlier than July 16, 2021 and not later than July 23, 2021 (the **"Closing Deadline"**), unless otherwise agreed in writing by the Parties.

4. **Evidence of Financial Resources**. Purchaser is delivering with its execution of this Amendment, evidence that Purchaser has the financial ability to close the purchase of the Property in accordance with the terms of the **Original Agreement** as amended hereby.

5. **Original Agreement**. Except as expressly set forth herein, all terms and conditions of the **Original Agreement** remain in full force and effect.

[*Signature pages follow*]

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IN WITNESS WHEREOF, the Seller has entered into this First Amendment as of the date first set forth above.

SELLER:

WEST END PROPERTY II, LLC, a
Tennessee limited liability company

Date: June 8th, 2021

By: _____
James K. White III, Chief Manager

[Signature Pages Continues]

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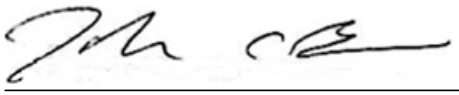
IN WITNESS WHEREOF, the Purchaser has entered into this First Amendment as of the date first set forth above.

PURCHASER:

PUREGRAPHITE LLC, a Delaware limited liability company

Date: June 9, 2021

By: 

John Christopher Burns, CEO

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Exhibit 4.6

SECOND AMENDMENT TO
PURCHASE AND SALE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT (this **"Agreement"**) is made effective as of June 30, 2021 (the **"Effective Date"**), between **WEST END PROPERTY II, LLC,** a Tennessee limited liability company (**"Seller"**), and **PUREGRAPHITE LLC,** a Delaware limited liability company (**"Purchaser"**). This Agreement refers to Seller and Purchaser collectively as the **"Parties."**

AGREEMENT

IN CONSIDERATION OF the mutual covenants and conditions set forth below, the Parties hereby agree as follows:

1. **Amendment**. This Amendment amends that certain Purchase and Sale Agreement between the Parties with an Effective Date of April 12, 2021, as amended by that First Amendment to Purchase and Sale Agreement dated as of June 9, 2021 (collectively the "**PSA**").

2. **Capitalized Terms**. Capitalized terms not otherwise defined herein will have the meanings ascribed thereto in the PSA.

3. **Investigation Period.** The **Investigation Period** is extended until the **Closing Deadline** of July 23, 2021, and the **Deposit** is refundable to Purchaser if the Purchaser, for any reason, is dissatisfied with the **Property** and gives the **Termination Notice** prior to the **Closing Deadline**.

4. **Conditions Precedent.** Seller and Purchaser waive the resolution of the **Conditions Precedent** (as described in Section 4 of the **PSA)** until the **Closing Deadline.**

5. **PSA**. Except as expressly set forth herein, all terms and conditions of the **PSA** remain in full force and effect.

[*Signature pages follow*]

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IN WITNESS WHEREOF, the Seller has entered into this Second Amendment as of the date first set forth above.

SELLER:

WEST END PROPERTY II, LLC, a
Tennessee limited liability company

Date: June 29, 2021

By: _____
James K. White III, Chief Manager

[Signature Page Continues]

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IN WITNESS WHEREOF, the Purchaser has entered into this Second Amendment as of the date first set forth above.

PURCHASER:

PUREGRAPHITE LLC, a Delaware limited liability company

Date: June 29, 2021

By:

John Christopher Burns, CEO

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Exhibit 4.7

THIRD AMENDMENT TO
PURCHASE AND SALE AGREEMENT

THIS THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT (this **"Agreement")** is made effective as of July 22, 2021 (the **"Effective Date"),** between **WEST END PROPERTY II, LLC**, a Tennessee limited liability company (**"Seller"**), and **PUREGRAPHITE LLC**, a Delaware limited liability company ("**Purchaser**"). This Agreement refers to Seller and Purchaser collectively as the **"Parties."**

AGREEMENT

IN CONSIDERATION OF the mutual covenants and conditions set forth below, the Parties hereby agree as follows:

1. **Amendment.** This Amendment amends that certain Purchase and Sale Agreement between the Parties with an Effective Date of April 12, 2021, as amended by that First Amendment to Purchase and Sale Agreement dated as of June 9, 2021, and as further amended by that Second Amendment to Purchase and Sale Agreement with an Effective Date of June 30, 2021 (collectively the "**PSA**").

2. **Capitalized Terms.** Capitalized terms not otherwise defined herein will have the meanings ascribed thereto in the PSA.

3. **Investigation Period.** The **Investigation Period** expires at 11:59 PM on July 23, 2021, and the **Deposit** thereafter becomes non-refundable to Purchaser, except in the event of a Seller default.

4. **Closing Deadline.** The **Closing Deadline** is extended to July 28, 2021, at 3:30 PM EDT.

5. **PSA**. Except as expressly set forth herein, all terms and conditions of the **PSA** remain in full force and effect.

[*Signature pages follows*]

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IN WITNESS WHEREOF, the Seller has entered into this Third Amendment as of the date first set forth above.

SELLER:

WEST END PROPERTY II, LLC, a
Tennessee limited liability company

Date: July 22, 2021

By: _____
James K. White III, Chief Manager

[Signature Pages Continues]

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IN WITNESS WHEREOF, the Purchaser has entered into this Third Amendment as of the date first set forth above.

PURCHASER:

PUREGRAPHITE LLC, a Delaware limited liability company

Date: July 22, 2021

By: _____
John Christopher Burns, CEO

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Exhibit 4.8

Execution Version

LOAN AGREEMENT

Dated as of July 28, 2021

Between

NOVONIX 1029, LLC,
as Borrower

and

DBR INVESTMENTS CO. LIMITED,
as Lender

PROPERTY: **1029 West 19th Street**
Chattanooga, Tennessee 37408

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LOAN AGREEMENT

THIS **LOAN AGREEMENT**, dated as of July 28, 2021 (as amended, restated, replaced, supplemented or otherwise modified from time to time, this "***Agreement***"), between **DBR INVESTMENTS CO. LIMITED**, a Cayman Islands corporation, having an address at 60 Wall Street, 10th Floor, New York, New York 10005 (together with its successors and assigns, collectively, "***Lender***"), and **NOVONIX 1029, LLC**, a Delaware limited liability company, having an address at 353 Corporate Place, Chattanooga, Tennessee 37419 (together with its permitted successors and assigns, collectively, "***Borrower***").

All capitalized terms used herein shall have the respective meanings set forth in Article 1 hereof.

W I T N E S S E T H :

WHEREAS, Borrower desires to obtain the Loan from Lender; and

WHEREAS, Lender is willing to make the Loan to Borrower, subject to and in accordance with the terms and conditions of this Agreement and the other Loan Documents.

NOW, THEREFORE, in consideration of the covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, represent and warrant as follows:

ARTICLE 1

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1 Specific Definitions.

For all purposes of this Agreement, except as otherwise expressly provided:

"***Acceptable Accounting Method***" shall mean either (a) GAAP, (b) tax basis accounting (c) cash basis accounting, (d) IFRS, or (e) such other method of accounting as shall be expressly approved by Lender in writing, in each case so long as the same is and remains in general use by significant segments of the United States accounting profession and is consistently applied throughout the Term (both as to the application of the rules governing such accounting method and the choice of which accounting method to apply) and provided further than in each case such accounting method is consistently applied with respect to the applicable financial statements and reporting required under the Loan Documents. As of the date hereof, Borrower has elected IFRS in accordance with the foregoing.

"***Acceptable Additional Guarantor***" means an additional guarantor who satisfies the conditions of an Approved Replacement Guarantor, when considered together with Guarantor. For the avoidance of doubt, the addition of such additional guarantor pursuant to the terms and conditions hereof shall be deemed to be the "applicable Transfer" for purposes of clause (v) of the definition of Approved Replacement Guarantor.

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"***Acceptable Additional Guarantor Information***" shall mean, with respect to the applicable proposed Acceptable Additional Guarantor, (i) the legal name, contact information and state of formation/incorporation of such proposed Acceptable Additional Guarantor, as applicable, (ii) unaudited financial statements, balance sheets and statement of profits and loss of such proposed Acceptable Additional Guarantor (or such other comparable financial statements as reasonably acceptable to Lender) certified as true and correct in all material respects as of the date thereof by an officer of such proposed Acceptable Additional Guarantor and (iii) such other information and/or materials as Lender may request in its reasonable discretion.

"***Affiliate***" shall mean, as to any Person, any other Person that (i) owns directly or indirectly ten percent (10%) or more of all equity interests in such Person, and/or (ii) is in Control of, is Controlled by or is under common ownership or Control with such Person, and/or (iii) is a director or officer of such Person or of an Affiliate of such Person, and/or (iv) is the spouse, issue or parent of such Person or of an Affiliate of such Person.

"***ALTA***" shall mean American Land Title Association, or any successor thereto.

"***Alteration Threshold***" shall mean three percent (3.0%) of the Outstanding Principal Balance.

"***Annual Budget***" shall mean the operating and capital budget for the Property setting forth, on a month-by-month basis, in reasonable detail, each line item of Borrower's good faith estimate of anticipated operating income, operating expenses and Capital Expenditures for the applicable Fiscal Year.

"***Anti-Money Laundering Laws***" shall mean any laws relating to money laundering or terrorist financing, including, without limitation, (A) the criminal laws against terrorism; (B) the criminal laws against money laundering, (C) the Bank Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, and (E) the Patriot Act.

"***Approved Capital Expenditures***" shall mean actual out-of-pocket Capital Expenditures to unaffiliated third-parties (except with respect to expenses to Affiliates of Borrower or Guarantor to the extent such expenses have been expressly approved by Lender) incurred by Borrower and either (i) included in the Approved Annual Budget or (ii) approved by Lender, which approval shall not be unreasonably withheld or delayed.

"***Approved Leasing Expenses***" shall mean actual out-of-pocket expenses to unaffiliated third-parties (except with respect to expenses to Affiliates of Borrower or Guarantor to the extent such expenses have been expressly approved by Lender) incurred by Borrower in leasing space at the Property pursuant to Leases entered into in accordance with the Loan Documents, including brokerage commissions and tenant improvements, which expenses (i) are (A) specifically approved by Lender in connection with approving the applicable Lease, (B) incurred in the ordinary course of business and on market terms and conditions in connection with Leases which do not require Lender's approval under the Loan Documents, and Lender shall have received a budget for such tenant improvement costs and a schedule of leasing commission payments payable in connection therewith, or (C) otherwise approved by Lender, which approval shall not be unreasonably withheld or delayed, and (ii) are substantiated by executed Lease documents and brokerage agreements.

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"***Approved Lease Sweep Space Leasing Expenses***" shall mean actual out-of-pocket expenses to unaffiliated third-parties (except with respect to expenses to Affiliates of Borrower or Guarantor to the extent such expenses have been expressly approved by Lender) incurred by Borrower in leasing Lease Sweep Space at the Property pursuant to Qualified Leases, including brokerage commissions and tenant improvements, which expenses (i) are (A) specifically approved by Lender in connection with approving the applicable Lease, or (B) otherwise approved by Lender, which approval shall not be unreasonably withheld or delayed, and (ii) are substantiated by executed Lease documents and brokerage agreements.

"***Approved Replacement Guarantor***" shall mean a Person (i) that satisfies the conditions set forth in clauses (x) and (y) of the definition of "Qualified Transferee", (ii) is formed in (or, if such Person is an individual, is a citizen of), maintains its principal place of business in (or, if such Person is an individual, maintains a primary residence in), and is subject to service in the United States or Canada, (iii) has all or substantially all of its assets in the United States or Canada, (iv) whose identity, experience, financial condition and creditworthiness, including net worth and liquidity (provided, however, that a net worth equal to $30,100,000 and liquid assets equal to $3,100,000 shall be deemed to be acceptable), is acceptable to Lender in Lender's sole discretion, for which Lender has received a Rating Agency Confirmation from each applicable Rating Agency, (v) that satisfies the Guarantor Financial Covenants and (vi) who Controls Borrower (or Transferee Borrower, as applicable) and owns a direct or indirect interest in Borrower (or Transferee Borrower, as applicable). If two or more Approved Replacement Guarantors are delivering replacement guaranties and replacement environmental indemnities to Lender, then (1) only one such Approved Replacement Guarantor must Control Borrower (or Transferee Borrower, as applicable), directly or indirectly (provided that each such Approved Replacement Guarantor must own a direct or indirect interest in Borrower (or Transferee Borrower, as applicable)) and (2) the obligations of all Approved Replacement Guarantors shall be joint and several.

"***Approved LC Bank***" shall mean a bank or other financial institution, the long-term unsecured debt rating of which are at least "A+" by S&P, Fitch and DBRS Morningstar and "A1" by Moody's and the short-term unsecured debt ratings of which are at least "A-1" by S&P, "F1" by Fitch, "R-1" by DBRS Morningstar and "P-1" by Moody's.

"***Assignment of Agreements***" shall mean that certain Assignment of Agreements, Licenses, Permits and Contracts, dated as of the date hereof, from Borrower, as assignor, to Lender, as assignee.

"***Assignment of Leases***" shall mean that certain first priority Assignment of Leases and Rents, dated as of the date hereof, from Borrower, as assignor, to Lender, as assignee.

"***Assignment of Management Agreement***" shall mean, if applicable, an assignment of management agreement and subordination of management fees among Borrower, Manager and Lender.

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"***Award***" shall mean any compensation paid by any Governmental Authority in connection with a Condemnation in respect to all or any part of the Property.

"***Bankruptcy Code***" shall mean Title 11 of the United States Code entitled "Bankruptcy", as amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder, and any comparable foreign laws relating to bankruptcy, insolvency or creditors' rights.

"***Borrower Affiliated Lease***" shall mean, individually and/or collectively, as the context may require, (i) the PUREgraphite Lease and/or (ii) any Lease, now or hereafter existing, in which the Tenant is a Borrower Affiliated Tenant and/or the guarantor of such Tenant's obligations under such Lease is an Affiliate of Borrower, Guarantor and/or Key Principal.

"***Borrower Affiliated Lease Default Event***" shall mean the occurrence of any monetary default or material non-monetary default by a Borrower Affiliated Tenant under its respective Borrower Affiliated Lease, in each case which default remains uncured following any applicable cure period expressly set forth in the applicable Borrower Affiliated Lease, but without taking into account any requirement to deliver any applicable notice of such default.

"***Borrower Affiliated Lease Guarantor***" shall mean, individually and/or collectively, as the context may require, (i) the PUREgraphite Guarantor and/or (ii) any other guarantor of the obligations of any Tenant under a Borrower Affiliated Lease.

"***Borrower Affiliated Lease Guaranty***" shall mean, individually and/or collectively, as the context may require, (i) the PUREgraphite Lease Guaranty and/or (ii) any other guaranty (or other similar instrument) pursuant to which a Borrower Affiliated Lease Guarantor guarantees the obligations of any Tenant under a Borrower Affiliated Lease.

"***Borrower Affiliated Tenant***" shall mean any Tenant under a Lease who is an Affiliate of Borrower, Guarantor and/or Key Principal.

"***Business Day***" shall mean any day other than a Saturday, a Sunday or a legal holiday on which national banks are not open for general business in (i) the State of New York, (ii) the state where the corporate trust office of the Trustee is located, or (iii) the state where the servicing offices of the Servicer are located.

"***Calculation Date***" shall mean the last day of each calendar quarter during the Term.

"***Capital Expenditures***" for any period shall mean amounts expended for replacements and alterations to the Property (excluding tenant improvements) and required to be capitalized according to GAAP.

"***Cash Management Agreement***" shall mean that certain Cash Management Agreement of even date herewith among Lender and Borrower.

"***Clearing Account Agreement***" shall mean that certain Deposit Account Control Agreement dated the date hereof by and among Borrower, Lender and Clearing Bank.

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"***Closing Date***" shall mean the date of the funding of the Loan.

"***Code***" shall mean the Internal Revenue Code of 1986, as amended, and as it may be further amended from time to time, any successor statutes thereto, and applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

"***Condemnation***" shall mean a temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof.

"***Control***" shall mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise, and the terms Controlled, Controlling and Common Control shall have correlative meanings.

"***Crowd Funded Person***" shall mean a Person that is capitalized through the practice of syndication, advertising or general or broad solicitation, which capitalization is achieved primarily (i) in reliance upon Regulation Crowdfunding promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, and/or (ii) through internet-mediated registries, platforms or similar portals, mail-order subscriptions, benefit events and/or other similar methods.

"***DBRS Morningstar***" shall mean DBRS, Inc. and its successor-in-interest.

"***Debt***" shall mean the Outstanding Principal Balance together with all interest accrued and unpaid thereon and all other sums (including any applicable Prepayment Fee and/or Liquidated Damages Amount, if applicable) due to Lender from time to time in respect of the Loan under the Note, this Agreement, the Mortgage, the Environmental Indemnity or any other Loan Document.

"***Debt-Like Preferred Equity***" shall mean preferred equity that (i) has a "hard coupon", minimum return or the equivalent, such as a preferred return or similar required payments that must be paid on dates certain, (ii) a "hard maturity" such as mandatory redemption date or similar required date of repayment or redemption, (iii) provides for a change in control, required redemption, increase in preferred return, right to change control or management, buy-sell mechanism or similar remedies in the event of a failure to repay or redeem on date certain or satisfy preferred return or similar payment thresholds, (iv) is secured by a pledge of ownership interests, or (v) is treated as debt under GAAP.

"***Debt Service***" shall mean, with respect to any particular period, the scheduled principal and interest payments due under the Note and, if applicable, the note(s) evidencing any New Mezzanine Loan in such period.

"***Debt Service Coverage Ratio***" shall mean, as of any date of determination, a ratio calculated by Lender, in which (a) the numerator is the Underwritten Net Cash Flow, and (b)the denominator is the annual Debt Service. Each determination by Lender of the Debt Service Coverage Ratio shall be conclusive and binding for all purposes, absent manifest error.

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"***Default***" shall mean the occurrence of any event hereunder or under any other Loan Document which, but for the giving of notice or passage of time, or both, would constitute an Event of Default.

"***Default Rate***" shall mean, with respect to the Loan, a rate per annum equal to the lesser of (i) the Maximum Legal Rate or (ii) five percent (5%) above the Interest Rate specified in clause (a) of the definition of "Interest Rate" below.

"***Deposit Account***" shall mean an Eligible Account at the Deposit Bank.

"***Deposit Bank***" shall mean the bank or banks selected by Lender to maintain the Deposit Account. Lender may in its sole but reasonable discretion change the Deposit Bank from time to time.

"***Discount Rate***" shall mean the rate which, when compounded monthly, is equivalent to the lesser of (i) the Treasury Rate and (ii) the Swap Rate, each when compounded semiannually.

"***Disqualified Person***" shall mean any Person (i) that is a Crowd Funded Person, a DST or that is Controlled by a Crowd Funded Person or a DST, or in which a Crowd Funded Person or a DST owns any direct or indirect ownership interest, or (ii) that owns (or, in connection with a proposed assumption of the Loan or a proposed Transfer, proposes to own) any direct or indirect interest in Borrower, any prospective Approved Replacement Guarantor, or any prospective transferee or the Property through a tenancy-in-common or other similar form of ownership.

"***DST***" means a trust formed under Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code §§ 3801 et seq., or any successor statute thereto, in each case, as amended from time to time, or any similar statutory trust formed under the law of any other state.

"***Earnout Reserve Release Conditions***" shall mean each of the following requirements is satisfied: (a) Borrower provides Lender with evidence (in a form reasonably acceptable to Lender) that (i) all of the Scheduled Capital Expenditures Work has been completed in a good and workmanlike manner and in accordance with all applicable Legal Requirements and the plans and specifications attached hereto as Schedule XI, (ii) each Person that supplied materials or labor in connection with the Scheduled Capital Expenditures has been paid in full, (iii) all trade payable in connection with the Scheduled Capital Expenditures have been paid in full, and (iv) without limitation of the foregoing, Borrower has satisfied all of the requirements set forth in Section 6.7.2 for the release of Scheduled Capital Expenditure Funds with respect to all of the Scheduled Capital Expenditures; (b) Borrower provides Lender with evidence (in a form reasonably acceptable to Lender) that all Licenses required for the use of the Property in the ordinary course as contemplated by the PUREgraphite Lease have been issued and are in full force and effect, and such use of the Property in the ordinary course as contemplated by the PUREgraphite Lease is in conformity with the final certificate of occupancy issued for the Property and all other restrictions, covenants and conditions affecting the Property, including, without limitation, all applicable Legal Requirements; (c) Borrower shall have delivered to Lender an Officer's Certificate certifying that all equipment set forth on the attached Schedule XII (or similar equipment of similar value and purpose, as determined by Lender in its sole discretion) (as applicable, the "***Specified Equipment***"), has been purchased and installed and is being utilized by PUREgraphite Tenant in the ordinary course, in each case, in compliance with all Legal Requirements; (d) Borrower shall have delivered an Officer's Certificate to Lender certifying that PUREgraphite Tenant is operating in the applicable Lease Sweep Space in the ordinary course; (e) no Trigger Period (other than a Trigger Period continuing solely because of the continuance of a Mezzanine Trigger Period) has occurred and be continuing (including, without limitation, any Event of Default and/or any Lease Sweep Period); (f) there are no Emergency Laws, and/or any other limitations on business operations and/or openings relating to the COVID-19 pandemic, which, in each case, would be reasonably likely to have a material adverse effect on PUREgraphite Tenant's operation of its business at the Property as contemplated by the PUREgraphite Lease; and (g) Borrower shall have delivered to Lender a duly executed estoppel certificate from PUREgraphite Tenant attesting to such facts regarding the PUREgraphite Lease as Lender may reasonably require, including, without limitation, attestations that (i) PUREgraphite Tenant has accepted delivery of, and taken possession of the entire Lease Sweep Space, (ii) all contingencies under the PUREgraphite Lease to the effectiveness thereof have been satisfied, (iii) all of the Specified Equipment has been purchased and installed and is being utilized by PUREgraphite Tenant in the ordinary course, in each case, in compliance with all Legal Requirements, and (iv) PUREgraphite Tenant is operating in the applicable Lease Sweep Space in the ordinary course.

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"***Eligible Account***" shall mean a separate and identifiable account from all other funds held by the holding institution that is either (i) an account or accounts (or subaccounts thereof) maintained with a federal or state-chartered depository institution or trust company which complies with the definition of Eligible Institution or (ii) a segregated trust account or accounts (or subaccounts thereof) maintained with the corporate trust department of a federal depository institution or state chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the Code of Federal Regulations §9.10(b), having in either case corporate trust powers, acting in its fiduciary capacity, and a combined capital and surplus of at least $50,000,000, subject to supervision or examination by federal and state authorities and having a long-term unsecured debt rating of "BBB-" or higher by S&P and "A2" or higher by Moody's and a short-term unsecured debt rating of "A-1" or higher by S&P and "P-1" or higher by Moody's. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

"***Eligible Institution***" shall mean a depository institution or trust company insured by the Federal Deposit Insurance Corporation the short term unsecured debt obligations or commercial paper of which are rated at least "A-1" by S&P, "P-1" by Moody's and "F1" by Fitch (and the long term unsecured debt obligations of such depository institution are rated at least "A" by Fitch) in the case of accounts in which funds are held for thirty (30) days or less or, in the case of accounts in which funds are held for more than thirty (30) days, the long term unsecured debt obligations of which are rated at least (i) "A" by S&P, (ii) "A" by Fitch (and the short term deposits or short term unsecured debt obligations or commercial paper of such depository institution are rated no less than "F1" by Fitch), and (iii) "A2" by Moody's; provided, however, for purposes of the Deposit Bank, the definition of Eligible Institution shall have the meaning set forth in the Cash Management Agreement.

"***Emergency Law***" shall mean any Legal Requirement related to, in connection with, or in response to any pandemic, including, without limitation, the COVID-19 pandemic.

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"***Environmental Indemnity***" shall mean that certain Environmental Indemnity Agreement dated as of the date hereof executed by Borrower and Guarantor in connection with the Loan for the benefit of Lender.

"***ERISA Affiliate***" shall mean any trade or business (whether or not incorporated) which is a member of the same controlled group of corporations or group of trades or businesses under common control with Borrower or the Guarantor, or is treated as a single employer together with Borrower or the Guarantor under Section 414 of the Code or Title IV of ERISA.

"***Fiscal Year***" shall mean each twelve (12) month period commencing on July 1 and ending on June 30 during each year of the Term.

"***Fitch***" shall mean Fitch, Inc. and its successor-in-interest.

"***GAAP***" shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such entity as may be in general use by significant segments of the U.S. accounting profession.

"***Governmental Authority***" shall mean any court, board, agency, department, committee, commission, central bank, office or authority of any nature whatsoever (including any political subdivision or instrumentality thereof) for any governmental or quasi-governmental unit (whether federal, state, commonwealth, county, district, municipal, city, parish, provincial or otherwise) (whether of the government of the United States or any other nation) now or hereafter in existence (including any supra-national bodies such as the European Union or the European Central Bank and any intergovernmental organizations such as the United Nations).

"***Gross Revenue***" shall mean all revenue derived from the ownership and operation of the Property from whatever source, including, without limitation, Rents and any Insurance Proceeds (whether or not Lender elects to treat any such Insurance Proceeds as business or rental interruption Insurance Proceeds pursuant to Section 5.4(f) hereof), Lease Termination Payments, any revenue received in connection with any tax certiorari proceeding and any amounts received by Borrower as a result of any litigation or other legal, administrative or other proceeding.

"***Ground Lease***" shall mean that certain ground lease more particularly described on **Schedule VIII** attached hereto and made a part hereof as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

"***Ground Rent***" shall mean any rent, additional rent or other charge payable by the tenant under the Ground Lease.

"***Guarantor***" shall mean Novonix Limited, an Australian public company, or any other Person that now or hereafter guarantees any of Borrower's obligations under any Loan Document.

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"***Guarantor Financial Covenants***" shall mean those covenants set forth in Section 5.2 of the Guaranty.

"***Guaranty***" shall mean that certain Guaranty of Recourse Obligations of even date herewith from Guarantor for the benefit of Lender.

"***IFRS***" shall mean international financial reportion standards, consistently applied.

"***Indebtedness***" shall mean, for any Person, without duplication: (i) all indebtedness of such Person for borrowed money, for amounts drawn under a letter of credit, or for the deferred purchase price of property or services for which such Person or its assets is liable, (ii) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable if such amounts were advanced thereunder, (iii) all amounts required to be paid by such Person as a guaranteed payment to partners or a preferred or special dividend, including any mandatory redemption of shares or interests, (iv) all indebtedness guaranteed by such Person, directly or indirectly, (v) all obligations under leases that constitute capital leases for which such Person is liable, (vi) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case for which such Person is liable or its assets are liable, whether such Person (or its assets) is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss, (vii) all obligations under any PACE Loans and (viii) any other contractual obligation for the payment of money which are not settled within thirty (30) days.

"***Independent***" shall mean, when used with respect to any Person, a Person who: (i) does not have any direct financial interest or any material indirect financial interest in Borrower or in any Affiliate of Borrower, (ii) is not connected with Borrower or any Affiliate of Borrower as an officer, employee, promoter, underwriter, trustee, partner, member, manager, creditor, director, supplier, customer or person performing similar functions and (iii) is not a member of the immediate family of a Person defined in (i) or (ii) above.

"***Independent Accountant***" shall mean (i) PricewaterhouseCoopers (for so long as there has been no material adverse change in PricewaterhouseCoopers' general business standing or reputation from the respective levels thereof as of the Closing Date) or (ii) a firm of nationally recognized, certified public accountants which is Independent and which is selected by Borrower and reasonably acceptable to Lender.

"***Insolvency Opinion***" shall mean, individually and/or collectively, as the context may require, (i) that certain bankruptcy non-consolidation opinion letter dated the date hereof delivered by Miller & Martin PLLC in connection with the Loan, and (ii) that certain bankruptcy non-consolidation opinion letter dated the date hereof delivered by Allens, Australia in connection with the Loan.

"***Interest Rate***" shall mean, with respect to each Interest Period: (a) a rate of four and nine hundredths percent (4.09%) per annum or (b) when applicable pursuant to this Agreement or any other Loan Document, the Default Rate.

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"***Investment Grade Rating***" shall mean, with respect to an entity, a long-term unsecured debt rating of at least "BBB-" from S&P and an equivalent rating from each of the other national statistical rating agencies which rate such entity.

"***Key Principal(s)***" shall mean Novonix Limited, an Australian public company.

"***Kroll***" means Kroll Bond Ratings and its successor-in-interest.

"***Lease***" shall mean any lease, sublease or sub-sublease, letting, license, concession or other agreement (whether written or oral and whether now or hereafter in effect) pursuant to which any Person is granted a possessory interest in, or right to use or occupy, all or any portion of any space in the Property, and every modification, amendment or other agreement (whether written or oral and whether now or hereafter in effect) relating to such lease, sublease, sub-sublease or other agreement entered into in connection with such lease, sublease, sub-sublease or other agreement, and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, whether before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code.

"***Lease Sweep Lease***" shall mean (i) the PUREgraphite Lease, or (ii) any replacement Lease that, either individually, or when taken together with any other Lease with the same Tenant or its Affiliates, and assuming the exercise of all expansion rights and all preferential rights to lease additional space contained in such Lease, covers the majority of the applicable Lease Sweep Space.

"***Lease Sweep Lease Investment Grade Rating Achievement Date***" shall mean the first date during the Term of the Loan on which the Tenant under a Lease Sweep Lease (or any parent entity guaranteeing such Tenant's obligations under the applicable Lease Sweep Lease, including, for the avoidance of doubt, PUREgraphite Lease Guarantor with respect to PUREgraphite Tenant) achieves an Investment Grade Rating.

"***Lease Sweep Lease Termination Payments***" shall mean, collectively, all sums paid with respect to any rejection, termination, surrender or cancellation of any Lease Sweep Lease (including in any Lease Sweep Tenant Party Insolvency Proceeding) or any lease buy-out or surrender payment from any Tenant under a Lease Sweep Lease (including any payment relating to unamortized tenant improvements and/or leasing commissions and/or application of any security deposit).

"***Lease Sweep Period***"

(i) shall commence on the first Monthly Payment Date following (or in the case of clause (a)(1) below, the Monthly Payment Date preceding) the occurrence of any of the following:

(a) with respect to each Lease Sweep Lease, the earlier to occur of**:**

1. twelve (12) months prior to the earliest stated expiration (including the stated expiration of any renewal term) of a Lease Sweep Lease; and

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2. upon the date required under a Lease Sweep Lease by which the tenant thereunder is required to give notice of its exercise of a renewal option thereunder (and such renewal has not been so exercised);

(b) intentionally omitted;

(c) the date that a Lease Sweep Lease (or any material portion thereof) is surrendered, cancelled or terminated or the receipt by Borrower or Manager of notice from any Tenant under a Lease Sweep Lease of its intent to surrender, cancel or terminate the Lease Sweep Lease (or any material portion thereof);

(d) the date that any Tenant under a Lease Sweep Lease shall discontinue its business (i.e., "goes dark") at its Lease Sweep Space at the Property (or more than fifty percent (50%) thereof) or give notice that it intends to discontinue its business at its Lease Sweep Space at the Property (or more than fifty percent (50%) thereof);

(e) upon a default under a Lease Sweep Lease by the Tenant thereunder that continues beyond any applicable notice and cure period;

(f) the occurrence of a Lease Sweep Tenant Party Insolvency Proceeding; or

(g) following the Lease Sweep Lease Investment Grade Rating Achievement Date, upon a decline in the credit rating of the Tenant under a Lease Sweep Lease (or any parent entity guaranteeing such Tenant's obligations under the applicable Lease Sweep Lease, including, for the avoidance of doubt, PUREgraphite Lease Guarantor with respect to PUREgraphite Tenant) below the Investment Grade Rating by any rating agency; and

(ii) shall end with respect to the applicable event giving rise to the Lease Sweep Period upon the first to occur of the following with respect to such event (identified by sub-clause reference below):

(A) in the case of clauses (i)(a), (i)(c), (i)(d) and (i)(e) above, the entirety of the Lease Sweep Space (or applicable portion thereof) is leased pursuant to one or more Qualified Leases and, in Lender's reasonable judgment, sufficient funds have been accumulated in the Lease Sweep Account (during the continuance of the subject Lease Sweep Period) to cover all anticipated Approved Lease Sweep Space Leasing Expenses, free rent periods, and/or rent abatement periods set forth in all such Qualified Leases and any shortfalls in required payments hereunder or Operating Expenses as a result of any anticipated down time prior to the commencement of payments under such Qualified Leases;

(B) in the case of clause (i)(a) above, the date on which the subject Tenant under the Lease Sweep Lease irrevocably exercises its renewal or extension option with respect to all of its Lease Sweep Space, and in Lender's judgment, sufficient funds have been accumulated in the Lease Sweep Account (during the continuance of the subject Lease Sweep Period) to cover all anticipated Approved Lease Sweep Space Leasing Expenses, free rent periods and/or rent abatement periods in connection with such renewal or extension;

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(C) in the case of clause (i)(e) above, the date on which the subject default has been cured, and no other default under such Lease Sweep Lease occurs for a period of six (6) consecutive months following such cure;

(D) in the case of clause (i)(f) above, (a) the applicable Lease Sweep Tenant Party Insolvency Proceeding has terminated and the applicable Lease Sweep Lease, and each guaranty of the Lease Sweep Lease (if any), has been affirmed or assumed, without modification of such Lease Sweep Lease or any guaranty thereof, by the Tenant under the Lease Sweep Lease and each guarantor (if any) of the Lease Sweep Lease in a manner reasonably satisfactory to Lender pursuant to a final, non-appealable order of the bankruptcy court, and in connection therewith all defaults under the Lease Sweep Lease are cured and the Tenant under the Lease Sweep Lease is in occupancy of its premises and paying full, unabated rent under the applicable Lease Sweep Lease and (b) adequate assurance of future performance under the Lease Sweep Lease and, if applicable, each guaranty of the Lease Sweep Lease as reasonably determined by Lender is provided;

(E) in the case of clause (i)(g) above, the date on which either (x) the credit rating of the Tenant under a Lease Sweep Lease (or any parent entity guaranteeing such Tenant's obligations under the applicable Lease Sweep Lease, including, for the avoidance of doubt, PUREgraphite Lease Guarantor with respect to PUREgraphite Tenant) has been restored to the Investment Grade Rating by the relevant rating agencies, or (y) the Lease Sweep Funds in the Lease Sweep Account collected with respect to the PUREgraphite Lease are equal to or greater than $1,361,480.

"***Lease Sweep Space***" shall mean the space demised under the applicable Lease Sweep Lease.

"***Lease Sweep Tenant Party***" shall mean a Tenant under a Lease Sweep Lease or its direct or indirect parent company (if any) and/or any guarantor of such Tenant's obligations under a Lease Sweep Lease.

"*Lease Sweep Tenant Party Insolvency Proceeding*" shall mean (A) the admission in writing by any Lease Sweep Tenant Party of its inability to pay its debts generally, or the making of a general assignment for the benefit of creditors, or the instituting by any Lease Sweep Tenant Party of any proceeding seeking to adjudicate it insolvent or seeking a liquidation or dissolution, or the taking advantage by any Lease Sweep Tenant Party of any Insolvency Law (as hereinafter defined), or the commencement by any Lease Sweep Tenant Party of a case or other proceeding naming it as debtor under any Insolvency Law or the instituting of a case or other proceeding against or with respect to any Lease Sweep Tenant Party under any Insolvency Law or (B) the instituting of any proceeding against or with respect to any Lease Sweep Tenant Party seeking liquidation of its assets or the appointment of (or if any Lease Sweep Tenant Party shall consent to or acquiesce in the appointment of) a receiver, liquidator, conservator, trustee or similar official in respect of it or the whole or any substantial part of its properties or assets or the taking of any corporate, partnership or limited liability company action in furtherance of any of the foregoing. As used herein, the term "***Insolvency Law***" shall mean Title 11 of the United States Code (11 U.S.C. §§ 101 et seq.) as the same has been or may be amended or superseded from time to time, or any other applicable domestic or foreign liquidation, conservatorship, bankruptcy, receivership, insolvency, reorganization, or any similar debtor relief laws affecting the rights, remedies, powers, privileges and benefits of creditors generally.

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"***Legal Requirements***" shall mean all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting the Loan, any Secondary Market Transaction with respect to the Loan, Borrower, Manager or the Property or any part thereof or the construction, use, alteration or operation thereof, or any part thereof, whether now or hereafter enacted and in force, including, without limitation, the Securities Act, the Exchange Act, Regulation AB, the rules and regulations promulgated pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, zoning and land use laws, the Americans with Disabilities Act of 1990, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Borrower, at any time in force affecting the Property or any part thereof, including any which may (i) require repairs, modifications or alterations in or to the Property or any part thereof, or (ii) in any way limit the use and enjoyment thereof.

"***Letter of Credit***" shall mean an irrevocable, unconditional, transferable (without payment of any transfer fee), clean sight draft letter of credit acceptable to Lender (either an evergreen letter of credit or one which does not expire until at least thirty (30) Business Days after the Stated Maturity Date) in favor of Lender and entitling Lender to draw thereon, in whole or in part, in New York, New York, issued by a domestic Approved LC Bank or the U.S. agency or branch of a foreign Approved LC Bank, the applicant/obligor under which shall not be Borrower. Any Letter of Credit delivered to Lender in connection with the Loan shall, in addition to any other requirements set forth herein, be subject to the terms and conditions set forth in Section 4.34 hereof.

"***Lien***" shall mean any mortgage, deed of trust, lien (statutory or otherwise), pledge, hypothecation, easement, restrictive covenant, preference, assignment, security interest, PACE Loan or any other encumbrance, charge or transfer of, or any agreement to enter into or create any of the foregoing, on or affecting all or any portion of the Property or any interest therein, or any direct or indirect interest in Borrower, including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, the creation or issuance of any Debt-Like Preferred Equity, the filing of any financing statement, and mechanic's, materialmen's and other similar liens and encumbrances.

"***Loan***" shall mean the loan in the original principal amount of Thirty Million One Hundred Thousand and No/100 Dollars ($30,100,000.00) made by Lender to Borrower pursuant to this Agreement.

"***Loan Documents***" shall mean, collectively, this Agreement, the Note, the Mortgage, the Assignment of Leases, the Cash Management Agreement, the Clearing Account Agreement, the Assignment of Agreements, the Environmental Indemnity, the Assignment of Management Agreement (if any) and the Guaranty and any other documents, agreements and instruments now or hereafter evidencing, securing or delivered to Lender in connection with the Loan, as the same may be (and each of the foregoing defined terms shall refer to such documents as they may be) amended, restated, replaced, supplemented or otherwise modified from time to time.

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"***Loan to Value Ratio***" shall mean the ratio, as of a particular date, in which the numerator is equal to the Outstanding Principal Balance and the denominator is equal to the appraised value of the Property, as determined by Lender in its sole discretion.

"***Low DSCR Period***" shall (I) commence if the Debt Service Coverage Ratio is less than 1.20:1.00 as of any Calculation Date, provided, however, if any Tenant (pursuant to a Major Lease and/or a Lease Sweep Lease) shall become subject to a Tenant Adjustment Event, then the Underwritten Net Cash Flow as of the most recent Calculation Date may be immediately adjusted downward by Lender and to the extent said adjustment results in a Debt Service Coverage Ratio that is below 1.20:1.00, a Low DSCR Period shall immediately commence and (II) end if the Property has achieved a Debt Service Coverage Ratio of at least 1.25:1.00 for two consecutive Calculation Dates, as determined by Lender (provided that if the financial reports required under Sections 4.9.2 and 4.9.3 are not delivered to Lender as and when required hereunder, a Low DSCR Period shall be deemed to have commenced and be ongoing, unless and until such reports are delivered and they indicate that, in fact, no Low DSCR Period is ongoing).

"***Major Contract***" shall mean (i) any management, brokerage or leasing agreement, (ii) any cleaning, maintenance, service or other contract or agreement of any kind (other than Leases) of a material nature (materiality for these purposes to include, without limitation, contracts which extend beyond one year (unless cancelable on thirty (30) days or less notice without requiring the payment of termination fees or payments of any kind)), or (iii) any contract or agreement with an Affiliate of Borrower, in any case relating to the ownership, leasing, management, use, operation, maintenance, repair or restoration of the Property, whether written or oral.

"***Major Lease***" shall mean any Lease which, either individually, or when taken together with any other Lease with the same Tenant or its Affiliates, and assuming the exercise of all expansion rights and all preferential rights to lease additional space contained in such Lease, (i) covers more than 40,000 rentable square feet, (ii) contains an option or other preferential right to purchase all or any portion of the Property, (iii) is a Borrower Affiliated Lease, (iv) is entered into during the continuance of a Trigger Period (other than a Trigger Period continuing solely because of the continuance of a Mezzanine Trigger Period), or (v) is a Lease Sweep Lease.

"***Management Agreement***" shall mean, if applicable, any management agreement entered into by and between Borrower and a Manager in accordance with the terms of the Loan Documents, in each case, pursuant to which the Manager is to provide management and other services with respect to the Property.

"***Manager***" shall mean any manager engaged in accordance with the terms and conditions of the Loan Documents.

"***Material Alteration***" shall mean any alteration affecting structural elements of the Improvements, utility or HVAC system contained in any Improvements or the exterior of the Property, the cost of which exceeds the Alteration Threshold; provided, however, that in no event shall (i) any Required Repairs, (ii) any tenant improvement work performed pursuant to any Lease existing on the date hereof or entered into hereafter in accordance with the provisions of this Agreement, or (iii) alterations performed as part of a Restoration, constitute a Material Alteration.

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"***Maturity Date***" shall mean the date on which the final payment of principal of the Note becomes due and payable as herein and therein provided, whether at the Stated Maturity Date, by declaration of acceleration, extension or otherwise.

"***Maximum Legal Rate***" shall mean the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the indebtedness evidenced by the Note and as provided for herein or the other Loan Documents, under the laws of such Governmental Authority whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Loan.

"***Mezzanine Trigger Period***" shall commence and continue for so long as any New Mezzanine Loan is outstanding.

"***Monthly Debt Service Payment Amount***" shall mean a constant monthly payment of $160,378.49.

"***Monthly Operating Expense Budgeted Amount***" shall mean the monthly amount set forth in the Approved Annual Budget for operating expenses for the calendar month in which such Monthly Payment Date occurs; provided that management fees payable to Manager as part of the Monthly Operating Expense Budgeted Amount shall not exceed three percent (3%) of Rents ("***Management Fee Cap***").

"***Monthly Payment Date***" shall mean the sixth (6^{th}) day of every calendar month occurring during the Term. The first Monthly Payment Date shall be September 6, 2021.

"***Moody's***" shall mean Moody's Investors Service, Inc. and its successor-in-interest.

"***Mortgage***" shall mean that certain first priority Fee and Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated the date hereof, executed and delivered by Borrower and the Industrial Development Board of the City of Chattanooga as security for the Loan and encumbering the Property, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"***NRSRO***" shall mean any credit rating agency that has elected to be treated as a nationally recognized statistical rating organization for purposes of Section 15E of the Exchange Act, without regard to whether or not such credit rating agency has been engaged by Lender or its designees in connection with, or in anticipation of, a Securitization.

"***Obligations***" shall mean, collectively, Borrower's obligations for the payment of the Debt and the performance of the Other Obligations.

"***Occupancy Conditions***" shall mean the delivery by Borrower to Lender of evidence reasonably satisfactory to Lender (including an estoppel certificate executed by the relevant Tenant(s)) that (A) the entire subject Lease Sweep Space is tenanted under one or more Qualified Leases, (B) each such Tenant has taken occupancy of the entire space demised to such Tenant, (C) all contingencies under all such Lease(s) to the effectiveness of the Lease(s) have been satisfied, (D) all leasing commissions payable in connection with any such Lease have been paid and all tenant improvement obligations or other landlord obligations of an inducement nature have either been completed or paid in full or, alternatively, sufficient funds will be retained in the Lease Sweep Account for such purposes (the "***Unpaid TILC Obligation Amount***"), (E) such Tenant has actually commenced paying full contractual rent under the applicable Lease and any initial free rent period or period of partial rent abatements has expired or, alternatively, sufficient funds will be retained in the Lease Sweep Account to account for all remaining scheduled free rent periods or rent abatements (the "***Remaining Rent Abatement Amount***") and (F) the rent commencement date under all such Lease(s) has been set.

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"***Officer's Certificate***" shall mean a certificate delivered to Lender by Borrower which is signed by an authorized senior officer of Borrower.

"***Open Prepayment Date***" shall mean the Monthly Payment Date occurring in May, 2031.

"***Operating Expenses***" shall mean, for any period, without duplication, all expenses actually paid or payable by Borrower during such period in connection with the operation, management, maintenance, repair and use of the Property, determined on an accrual basis, and, except to the extent otherwise provided in this definition, in accordance with GAAP. Operating Expenses specifically shall include (i) all expenses incurred in the immediately preceding twelve (12) month period based on quarterly financial statements delivered to Lender in accordance with Section 4.9.2 hereof, (ii) all payments required to be made pursuant to any Operations Agreements, (iii) property management fees in an amount equal to the management fees actually paid under the Management Agreement, (iv) administrative, payroll, security and general expenses for the Property, (v) the cost of utilities, inventories and fixed asset supplies consumed in the operation of the Property, (vi) a reasonable reserve for uncollectible accounts, (vii) costs and fees of Independent professionals (including, without limitation, legal, accounting, consultants and other professional expenses), technical consultants, operational experts (including quality assurance inspectors) or other third parties retained to perform services required or permitted hereunder, (viii) cost of attendance by employees at training and manpower development programs, (ix) association dues, (x) computer processing charges, (xi) operational equipment and other lease payments, (xii) Taxes and Other Charges (other than income taxes or Other Charges in the nature of income taxes) and insurance premiums and (xiii) all underwritten reserves required by Lender hereunder (without duplication). Notwithstanding the foregoing, Operating Expenses shall not include (1) depreciation or amortization, (2) income taxes or Other Charges in the nature of income taxes, (3) any expenses (including legal, accounting and other professional fees, expenses and disbursements) incurred in connection with the making of the Loan or the sale, exchange, transfer, financing or refinancing of all or any portion of the Property or in connection with the recovery of Insurance Proceeds or Awards which are applied to prepay the Note, (4) Capital Expenditures, (5) Debt Service, and (6) any item of expense which would otherwise be considered within Operating Expenses pursuant to the provisions above but is paid directly by any Tenant.

"***Operations Agreements***" shall mean each REA, the PILOT Documents, and any other covenants, restrictions, easements, declarations or agreements of record relating to the construction, operation or use of the Property, together with all amendments, modifications or supplements thereto, including, without limitation, those certain documents and/or instruments set forth on Schedule XIII hereto.

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"***Other Charges***" shall mean all ground rents, maintenance charges, impositions other than Taxes and any other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Property, now or hereafter levied or assessed or imposed against the Property or any part thereof.

"***Other Obligations***" shall mean (a) the performance of all obligations of Borrower contained herein; (b) the performance of each obligation of Borrower contained in any other Loan Document; and (c) the performance of each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of this Agreement, the Note or any other Loan Document.

"***Outstanding Principal Balance***" shall mean, as of any date, the outstanding principal balance of the Loan.

"***PACE Loan***" shall mean (x) any "Property-Assessed Clean Energy loan" or (y) any other indebtedness, without regard to the name given to such indebtedness, which is (i) incurred for improvements to the Property for the purpose of increasing energy efficiency, increasing use of renewable energy sources, resource conservation, or a combination of the foregoing, and (ii) repaid through multi-year assessments against the Property.

"***Patriot Act***" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, as the same was restored and amended by Uniting and Strengthening America by Fulfilling Rights and Ensuring Effective Discipline Over Monitoring Act (USA FREEDOM Act) of 2015 and as the same may be further amended, extended, replaced or otherwise modified from time to time, and any corresponding provisions of future laws.

"***Permitted Encumbrances***" shall mean, collectively, (i) the Liens and security interests created by the Loan Documents, (ii) all encumbrances and other matters disclosed in the Title Insurance Policy, (iii) Liens, if any, for Taxes or Other Charges imposed by any Governmental Authority not yet due or delinquent, (iv) any workers', mechanics' or other similar Liens on the Property provided that any such Lien is (A) bonded or discharged within thirty (30) days after Borrower first receives written notice of such Lien and/or (B) being contested in good faith pursuant to and in accordance with the requirements of Section 4.3 hereof, and (v) such other title and survey exceptions as Lender has approved or may approve in writing in Lender's reasonable discretion.

"***Person***" shall mean any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other entity, any country or Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing.

"***Physical Conditions Report***" shall mean that certain Property Condition Report, prepared by Partner ESI, Partner Project Number 21-323567.1 and dated as of June 22, 2021.

"***PILOT Agreement***" shall mean that certain Agreement For Payments in Lieu of Ad Valorem Taxes, dated as of the date hereof, by and among The Industrial Development Board Of The City Of Chattanooga, PUREgraphite LLC, a Delaware limited liability company, Novonix 1029, LLC, a Delaware limited liability company, the City of Chattanooga, Hamilton County and joined in, for purposes of evidencing their acceptance of the agency relationship established therein, by William F. Hullander and his successors, acting in the capacity of Hamilton County and by Marty Haynes and his successors, acting in the capacity of Hamilton County Assessor of Property, as the same may be amended, supplemented or otherwise modified from time in accordance with this Agreement.

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"***PILOT Documents***" shall mean, individually and/or collectively, as the context may require, (i) the PILOT Agreement and (ii) the Ground Lease.

"***PILOT Payments***" shall mean all amounts that are required to be paid by or on behalf of Borrower, any Borrower Affiliated Tenant (including, without limitation, PUREgraphite Tenant), and/or their respective successors and/or assigns, as applicable, pursuant to any of the PILOT Documents, including, without limitation, any PILOT Clawback Liabilities.

"***Prepayment Fee***" shall mean an amount equal to the greater of (i) the Yield Maintenance Amount and (ii) five percent (5%) of the unpaid principal balance of the Note as of the Repayment Date.

"***Prepayment Notice***" shall mean a prior irrevocable written notice to Lender specifying the proposed Business Day on which a prepayment of the Debt is to be made pursuant to Section 2.4 hereof, which date must be a Monthly Payment Date and shall be no earlier than thirty (30) days after the date of such Prepayment Notice and no later than sixty (60) days after the date of such Prepayment Notice.

"***Prohibited Person***" shall mean any Person:

(i) that is listed on any Government List or is otherwise a Proscribed Person;

(ii) that is listed on the annex to, or is otherwise subject to the provisions of, Executive Order 13224;

(iii) who commits, threatens, conspires to commit or supports "terrorism" as defined in Executive Order 13224;

(iv) that is owned or Controlled by, or acting for on behalf of, any Person that is described in the foregoing clauses(i), (ii) or (iii) above or its otherwise subject to the provisions of Executive Order 13224;

(v) with whom another Person is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Patriot Act, Executive Order 13224 and any Anti-Money Laundering Laws;

(vi) that is an Embargoed Person;

(vii) who is an Affiliate of any Person that is described in any of clauses (i) through (vi) above; or

(viii) is a Disqualified Person.

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"***Property***" shall mean the parcel or parcels of real property described on **Exhibit A** attached hereto and made a part hereof demised under a Ground Lease, the Improvements now or hereafter erected or installed thereon and all personal property owned by Borrower and encumbered by the Mortgage, together with all rights pertaining to such property and Improvements, all as more particularly described in the Granting Clauses of the Mortgage.

"***Provided Information***" shall mean any and all financial and other information provided at any time prepared by, or on behalf of, Borrower, Manager, Tenants and/or Guarantor.

"***PUREgraphite Lease***" shall mean that certain Industrial Triple Net Lease, dated as of the date hereof, by and between Borrower, as landlord, and PUREgraphite Tenant, as tenant, as the same may be amended, supplemented or otherwise modified from time in accordance with this Agreement.

"***PUREgraphite Tenant***" shall mean PUREgraphite LLC, a Delaware limited liability company. For the avoidance of doubt, PUREgraphite Tenant is an Affiliate of Borrower, Guarantor and Key Principal.

"***PUREgraphite Tenant Operation Commencement Date***" shall mean the earliest date during the Term of the Loan on which PUREgraphite Tenant (i) has accepted delivery of, and taken possession of the entire Lease Sweep Space and (ii) is operating in the applicable Lease Sweep Space in the ordinary course.

"***PUREgraphite Tenant Outside Operation Commencement Date***" shall mean December 28, 2022.

"***PUREgraphite Lease Guarantor***" shall mean Novonix Limited, an Australian public company.

"***PUREgraphite Lease Guaranty***" shall mean that certain Lease Guaranty, dated as of the date hereof, given by PUREgraphite Lease Guarantor for the benefit of Borrower, as landlord under the PUREgraphite Lease, as the same may be amended, supplemented or otherwise modified from time in accordance with this Agreement.

"***Qualified Lease***" means a replacement lease (i) with a term that extends at least five (5) years beyond the end of the Loan Term**,** (ii) entered into in accordance with this Agreement and (iii) on market terms with respect to, among other things, base rent, additional rent and recoveries and tenant improvement allowances.

"***Qualified Manager***" shall mean (i) so long as Borrower is Controlled by Key Principal, a property management company owned and/or Controlled by Key Principal or (ii) an Unaffiliated Qualified Manager.

"***Qualified Transferee***" shall mean a transferee for whom, prior to the Transfer, Lender shall have received and approved: (x) satisfactory evidence that the proposed transferee (1) has never been indicted or convicted of, or pled guilty or no contest to, a felony, (2) has never been indicted or convicted of, or pled guilty or no contest to, a Patriot Act Offense and is not on any Government List and is not otherwise a Prohibited Person, (3) has never been the subject of a voluntary or involuntary (to the extent the same has not been discharged) bankruptcy proceeding and (4) has no material outstanding judgments against such proposed transferee and (y) Satisfactory Search Results with respect to such proposed transferee and its direct and indirect owners.

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"***Rating Agencies***" shall mean any nationally-recognized statistical rating organization (e.g. S&P, Moody's, Fitch, DBRS Morningstar, Kroll or any successor thereto) that has been or will be engaged by Lender or its designees in connection with, or in anticipation of, a Securitization.

"***Rating Agency Confirmation***" shall mean a written affirmation from each of the Rating Agencies that the credit rating of the Securities by such Rating Agency immediately prior to the occurrence of the event with respect to which such Rating Agency Confirmation is sought will not be qualified, downgraded or withdrawn as a result of the occurrence of such event, which affirmation may be granted or withheld in such Rating Agency's sole and absolute discretion.

"***REA***" shall mean, collectively, those certain agreement(s) more particularly described on **Schedule VII** attached hereto and made a part hereof, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

"***Regulation AB***" shall mean Regulation AB under the Securities Act and the Exchange Act, as such Regulation may be amended from time to time.

"***Regulatory Change***" shall mean, at any time hereafter, (i) any change in any Legal Requirement (including by repeal, amendment or otherwise) or in the interpretation or application thereof by any central bank or other Governmental Authority or (ii) any new or revised request, guidance or directive issued by any central bank or other Governmental Authority and applicable to Lender.

"***Related Loan***" shall mean a loan to an Affiliate of Borrower or any Guarantor or secured by a Related Property, that is included in a Securitization with the Loan, and any other loan that is cross-collateralized with the Loan.

"***Related Property***" shall mean a parcel of real property, together with improvements thereon and personal property related thereto, that is "related" within the meaning of the definition of Significant Obligor, to the Property.

"***REMIC Trust***" shall mean a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code that holds the Note.

"***Rents***" shall mean all rents, rent equivalents, "additional rent" (i.e. pass-throughs for operating expenses, real estate tax escalations and/or real estate tax pass-throughs, payments by Tenants on account of electrical consumption, porters' wage escalations, condenser water charges and tap-in fees, freight elevator and HVAC overtime charges, charges for excessive rubbish removal and other sundry charges), moneys payable as damages (including payments by reason of the rejection of a Lease in a bankruptcy proceeding) or in lieu of rent or rent equivalents, royalties (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, receipts, revenues, deposits (including security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other payment and consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower, Manager or any of their respective agents or employees from any and all sources arising from or attributable to the Property and the Improvements, including all receivables, signage income, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of the Property or rendering of services by Borrower, Manager or any of their respective agents or employees, and Insurance Proceeds, if any, from business interruption or other loss of income insurance, but only to the extent such Insurance Proceeds are treated as business or rental interruption Insurance Proceeds pursuant to Section 5.4(f) hereof.

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"***Repayment Date***" shall mean the date of a defeasance or prepayment (as applicable) of the Loan pursuant to the provisions of Section 2.4 hereof.

"***Reserve Funds***" shall mean, collectively, all funds deposited by Borrower with Lender or Deposit Bank pursuant to Article 6 of this Agreement, including, but not limited to, the Capital Expenditure Funds, the Insurance Funds, the Tax Funds, the Casualty and Condemnation Funds, the Cash Collateral Funds, the Scheduled Capital Expenditure Funds, the Earnout Reserve Funds, and the Rollover Funds.

"***Restoration***" shall mean the repair, restoration and re-tenanting of the Property after a Casualty or Condemnation as nearly as possible to the condition the Property was in immediately prior to such Casualty or Condemnation, with such alterations as may be reasonably approved by Lender.

"***Restoration DSCR***" shall mean, as of any date of determination, the ratio of (a) the Underwritten Net Cash Flow of the Property, based on (x) annualized in place Rents or annualized Rents under Leases that are reasonably expected by Lender to remain in place following the completion of such Restoration and (y) expenses on a pro forma basis, to (b) an amount equal to the annual Debt Service.

"***Restoration Threshold***" shall mean $500,000.

"***S&P***" shall mean Standard & Poor's Ratings Group, a division of the McGraw-Hill Companies.

"***Satisfactory Search Results***" shall mean, with respect to any Person and its direct and indirect owners, (A) satisfactory completion by Lender of its anti-financial crime and "know your customer" procedures (internal or otherwise), including receipt of credit history, litigation, judgment, and other related searches, each of which are satisfactory to Lender in all respects and (B) confirmation satisfactory to Lender that such Person does not violate any Anti-Money Laundering Laws, is not on any Government List and is not otherwise a Prohibited Person.

"***Scheduled Capital Expenditures***" shall mean actual out-of-pocket Capital Expenditures to unaffiliated third-parties incurred by Borrower and specified on Schedule X hereto.

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"***Scheduled Capital Expenditures Work***" shall mean the work associated with the Scheduled Capital Expenditures, performed in accordance with the plans and specifications annexed hereto as Schedule XI.

"***Significant Obligor***" shall have the meaning set forth in Item 1101(k) of Regulation AB under the Securities Act.

"***Special Taxes***" shall mean any and all present or future taxes, levies, imposts, deductions, charges or withholdings, or any liabilities with respect thereto, including those arising after the Closing Date as a result of the adoption of or any change in law, treaty, rule, regulation, guideline or determination of a Governmental Authority or any change in the interpretation or application thereof by a Governmental Authority but excluding, in the case of Lender, such taxes (including income taxes, franchise taxes and branch profit taxes) as are imposed on or measured by Lender's net income by the United States of America or any Governmental Authority of the jurisdiction under the laws under which Lender is organized or maintains a lending office.

"***State***" shall mean Tennessee.

"***Stated Maturity Date***" shall mean August 6, 2031.

"***Survey***" shall mean a survey of the Property prepared by a surveyor licensed in the State and satisfactory to Lender and the company or companies issuing the Title Insurance Policy, and containing a certification of such surveyor satisfactory to Lender.

"***Swap Rate***" shall mean the yield calculated by the linear interpolation of mid-market swap yields, as reported on Reuters Capital Markets screen 19901 (SEMI-BOND column) for the week ending prior to the Repayment Date, with maturities (one longer and one shorter) most nearly approximating the Stated Maturity Date (in the event Reuters Capital Markets screen 19901 is no longer available, Lender shall select a comparable publication to determine such yield).

"***Taxes***" shall mean any and all present or future taxes, levies, imposts, duties, deductions, assessments, fees or other charges or withholdings (including backup withholding), or any liabilities with respect thereto (including any interest, additions to tax or penalties applicable thereto), including those arising after the Closing Date as a result of the adoption or taking effect of, or any change in law, treaty, rule, regulation, guideline or determination of a Governmental Authority or any change in the administration, interpretation, implementation or application thereof by a Governmental Authority, including without limitation, (i) any and all (x) real estate taxes, assessments, water rates or sewer rents and (y) PILOT Payments, and (ii) any and all personal property taxes, in each case, now or hereafter levied or assessed or imposed against the Property or part thereof, together with all interest and penalties thereon. All taxes referred to in clause (i) above, including all interest and penalties thereon, are hereinafter collectively referred to as "***Real Estate Taxes***". In no event shall any PACE Loan be considered a Tax for purposes of this Agreement.

"***Tenant***" shall mean any Person obligated by contract or otherwise to pay monies (including a percentage of gross income, revenue or profits) under any Lease now or hereafter affecting all or any part of the Property.

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"***Term***" shall mean the entire term of this Agreement, which shall expire upon repayment in full of the Debt and full performance of each and every obligation to be performed by Borrower pursuant to the Loan Documents.

"***Title Insurance Policy***" shall mean an ALTA mortgagee title insurance policy in the form acceptable to Lender issued with respect to the Property and insuring the Lien of the Mortgage.

"***Treasury Rate***" shall mean the yield calculated by the linear interpolation of the yields, as reported in Federal Reserve Statistical Release H.15 Selected Interest Rates under the heading U.S. Government Securities/Treasury Constant Maturities for the week ending prior to the Repayment Date, of U.S. Treasury constant maturities with maturity dates (one longer and one shorter) most nearly approximating the Stated Maturity Date. (In the event Release H.15 is no longer published, Lender shall select a comparable publication to determine the Treasury Rate.)

"***TRIPRA"*** shall mean the Terrorism Risk Insurance Program Reauthorization Act of 2015 or any replacement, reauthorization or extension thereof.

"***Trigger Period***" shall commence upon the occurrence of (i) an Event of Default, or (ii) the commencement of a Low DSCR Period, or (iii) if Manager is an Affiliate of Borrower or Guarantor and such Manager shall become insolvent or a debtor in any bankruptcy or insolvency proceeding, or (iv) the commencement of a Mezzanine Trigger Period, or (v) the commencement of a Lease Sweep Period; and shall end, in each case provided no other Trigger Period is then continuing, if, (A) with respect to a Trigger Period continuing pursuant to clause (i), the Event of Default commencing the Trigger Period has been waived by Lender, cured in accordance with the terms and conditions hereof, or Borrower has otherwise tendered cure and such cure has been accepted by Lender (and no other Event of Default is then continuing) or (B) with respect to a Trigger Period continuing due to clause (ii), the Low DSCR Period has ended pursuant to the terms hereof, or (C) with respect to clause (iii), if the Manager is replaced with an Unaffiliated Qualified Manager approved by Lender under a replacement management agreement approved by Lender, such replacement Manager and Borrower executed and deliver an assignment and subordination agreement satisfactory to Lender, and all the applicable requirements of Section 4.14 of this Agreement are satisfied with respect thereto, or (D) with respect to a Trigger Period continuing due to clause (iv), the Mezzanine Trigger Period has ended pursuant to the terms hereof or (E) with respect to a Trigger Period continuing due to clause (iv), such Lease Sweep Period has ended pursuant to the terms hereof (and no other Lease Sweep Period is then continuing).

"***Trustee***" shall mean any trustee holding the Loan in a Securitization.

"***U.S. Obligations***" shall mean securities evidencing an obligation to timely pay principal and/or interest in a full and timely manner that are (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged, and (ii) not subject to prepayment, call or early redemption.

"***UCC***" or "***Uniform Commercial Code***" shall mean the Uniform Commercial Code as in effect in the State (with respect to fixtures), the State of New York or the state in which any of the Cash Management Accounts are located, as the case may be.

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"***Unaffiliated Qualified Manager***" shall mean an unaffiliated property manager of the Property that (A) is a reputable, nationally or regionally recognized management company having at least five (5) years' experience in the management of properties that are similar to the Property as to quality, location and type, (B) at the time of its engagement as property manager has (x) leasable square footage of the same property type as the Property equal to the lesser of 2,000,000 leasable square feet in the aggregate and five (5) times the leasable square feet of the Property and (y) managed at least ten (10) properties that are similar to the Property as to quality, location and type and used as industrial facilities and (C) is not the subject of a bankruptcy or similar insolvency proceeding.

"***Underwritten Net Cash Flow***" shall mean, as of the end of any calendar quarter for which Underwritten Net Cash Flow is determined (or such other date for which Underwritten Net Cash Flow is determined) the excess of: (a) the sum of: (i) annualized actual in place base rents received by Borrower under bona fide Leases at the Property with Tenants in occupancy and paying full, unabated rent as of the date of such calculation (provided that (x) for the avoidance of doubt, a Tenant that is not operating in its applicable premises at the Property in the ordinary course shall not be deemed to be "in occupancy" for purposes of this clause (a)(i) and (y) notwithstanding the foregoing, so long as neither the PUREgraphite Tenant Operation Commencement Date nor the PUREgraphite Tenant Outside Operation Commencement Date has occurred, PUREgraphite Tenant shall be deemed to be "in occupancy" for purposes of this clause (a)(i) so long as the UWNCF PUREgraphite Rental Inclusion Conditions are satisfied) and actual percentage rents received by Borrower under such Leases for the twelve (12) months preceding such calculation; *plus* (ii) for the twelve (12) month period preceding the month in which such Underwritten Net Cash Flow is calculated, (x) monthly recoveries actually received by Borrower under bona fide existing Leases at the Property during such twelve (12) month calculation period and (y) actual rent and revenue received by Borrower from other sources at the Property to the extent such receipts are recurring in nature and derived from ordinary course operations of the Property for such twelve month calculation period; *over* (b) for the twelve (12) month period preceding the month in which such Underwritten Net Cash Flow is calculated, Operating Expenses over such twelve months, in each case adjusted to reflect Lender's determination of: (i) a vacancy factor equal to the greatest of (A) the market vacancy rate (as determined by Lender in its reasonable discretion) for similar properties in the commercial business district or market area in which the Property is located, (B) the actual vacancy rate at the Property, and (C) 5% of the rentable area of the Property; (ii) a reduction of above market rents at the Property to market rents as determined by Lender; (iii) subtraction of (A) an imputed capital improvement requirement amount equal to $0.07 per rentable square foot at the Property per annum (regardless of whether a reserve therefor is required hereunder or the amount of such reserve), and (B) an imputed tenant improvement and leasing commission requirement amount equal to $0.21 per rentable square foot at the Property per annum (regardless of whether a reserve therefor is required hereunder or the amount of such reserve); (iv) an adjustment so that property management fees are equal to the greater of three percent (3.0%) of Rents and the property management fees actually paid under the Management Agreement; (v) exclusion of (X) amounts representing non-recurring items and (Y) amounts received from (1) Tenants not currently in occupancy and paying full, unabated rent (provided that (x) for the avoidance of doubt, a Tenant that is not operating in its applicable premises at the Property in the ordinary course shall not be deemed to be "in occupancy" for purposes of this this clause (1), and (y) notwithstanding the foregoing, so long as neither the PUREgraphite Tenant Operation Commencement Date nor the PUREgraphite Tenant Outside Operation Commencement Date has occurred, no exclusion pursuant to this clause (1) shall be made with respect to PUREgraphite Tenant so long as the UWNCF PUREgraphite Rental Inclusion Conditions are satisfied), (2) Tenants affiliated with Borrower or Guarantor (other than PUREgraphite Tenant pursuant to the PUREgraphite Lease), (3) Tenants in default or in bankruptcy, (4) Tenants under month-to-month Leases, (5) Tenants under Leases where the term is set to expire in the next two (2) succeeding calendar quarters or (6) Tenants under Leases where the Tenant thereunder has a renewal option and has failed to exercise such renewal option within the time period set forth in the Lease or has given notice of intent to vacate (the foregoing clauses (1) through (6) shall be referred to herein, individually and/or collectively (as the context shall require), as "***Tenant Adjustment Event(s)***"); (vi) Taxes and Insurance Premiums payable for the twelve (12) month period succeeding such calculation (or imputed Insurance Premiums to the extent an Acceptable Blanket Policy is in effect with respect to the Policies required hereunder); and (vii) such other adjustments deemed necessary by Lender based upon Lender's reasonable underwriting criteria and Lender's reasonable determination of Rating Agency underwriting and evaluation criteria. Lender's calculation of Underwritten Net Cash Flow shall be final absent manifest error.

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"***UWNCF PUREgraphite Rental Inclusion Conditions***" shall mean that each of the following conditions are satisfied as of the applicable date of determination, as determined by Lender in its sole discretion: (i) neither the PUREgraphite Tenant Operation Commencement Date nor the PUREgraphite Tenant Outside Operation Commencement Date shall have occurred, (ii) each of the PUREgraphite Lease and the PUREgraphite Guaranty shall be in full force and effect without default thereunder by either party thereto, (iii) none of Borrower, Guarantor, PUREgraphite Tenant and/or PUREgraphite Guarantor shall be insolvent or a debtor in any bankruptcy or insolvency proceeding, (iv) PUREgraphite Tenant shall be paying full, unabated rent pursuant to the PUREgraphite Lease, and (v) no Event of Default shall have occurred and be continuing.

"***Yield Maintenance Amount***" shall mean the present value, as of the Repayment Date, of the remaining scheduled payments of principal and interest from the Repayment Date through the Stated Maturity Date (including any balloon payment) determined by discounting such payments at the Discount Rate, less the amount of principal being prepaid on the Repayment Date.

Section 1.2 Index of Other Definitions. The following terms are defined in the sections or Loan Documents as indicated below:

"*Acceptable Blanket Policy*" - 5.1.1(c)
"*Accounts*" - 6.1
"*Act*" - Schedule V
"*Actual OpEx*" – 4.9.8
"*Affected Underground Utilities*" - 3.1.11
"*Agreement*" - Introductory Paragraph
"*Anti-Corruption Obligation*" - 4.33
"*Approved Annual Budget*" - 4.9.5
"*Approved Extraordinary Operating Expense*" - 4.9.6
"*Approved Monthly BI Expenses*" - 5.4(f)
"*Available Cash*" - 6.16.1
"*Bail-In Action*" - 10.26

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"*Bail-In Legislation*" - 10.26
"*Borrower*" - Introductory Paragraph
"*Borrower's Recourse Liabilities*" - 10.1
"*Broker*" - 10.19
"*Capital Expenditure Account*" - 6.5.1
"*Capital Expenditure Funds*" - 6.5.1
"*Cash Collateral Account*" - 6.12
"*Cash Collateral Funds*" - 6.12
"*Cash Management Accounts*" - 6.17
"*Casualty*" - 5.2
"*Casualty and Condemnation Account*" - 6.11
"*Casualty and Condemnation Funds*" - 6.11
"*Casualty Consultant*" - 5.4(b)(iii)
"*Casualty Retainage*" - 5.4(b)(iv)
"*Cause*" - Schedule V
"*Clearing Account*" - 6.1
"*Clearing Bank*" - 6.1
"*Committee*" - Schedule V
"*Condemnation Proceeds*" - 5.4(b)
"*Covered Disclosure Information*" - 9.2(b)
"*Debt Service Account*" - Cash Management Agreement "*Defeasance Collateral*" - 2.4.2(a)(iii)
"*Defeasance Lockout Expiration Date*" - 2.4.2(a)
"*Defeasance Security Agreement*" - 2.4.2(a)(iii)
"*Disclosure Document*" - 9.2(a)
"*Earnout Reserve Account*" - 6.8.1
"*Earnout Reserve Funds*" - 6.8.1
"*Easements*" - 3.1.11
"*EEA Financial Institution*" - 10.26
"*EEA Member Country*" - 10.26
"*EEA Resolution Authority*" - 10.26
"*Election*" - 4.35(f)
"*Embargoed Person*" - 4.32(c)
"*Equipment*" - Mortgage
"*ERISA*" - 4.31
"*EU Bail-In Legislation Schedule*" - 10.26
"*Event of Default*" - 8.1
"*Exchange Act*" - 9.2(a)
"*Exchange Act Filing*" - 9.1(d)
"*Executive Order 13224*" - 4.32(b)
"*Extraordinary Operating Expense*" - 4.9.6
"*Flood Insurance Acts*" - 5.1.1(a)(i)
"*Government Lists*" - 4.32(b)
"*Improvements*" - Mortgage
"*Increased Costs*" - 10.24.1
"*Indemnified Liabilities*" - 4.30

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"*Independent Director*" - Schedule V
"*Independent Manager*" - Schedule V
"*Initial Interest Period*" - 2.3.1
"*Insurance Account*" - 6.4.1
"*Insurance Deductible Liabilities*" - 10.1
"*Insurance Funds*" - 6.4.1
"*Insurance Premiums*" - 5.1.1(b)
"*Insurance Proceeds*" - 5.4(b)
"*Intellectual Property*" - 3.1.33
"*Interest Period*" - 2.3.2
"*Lease Sweep Account*" - 6.13.1
"*Lease Sweep Funds*" - 6.13.1
"*Lease Termination Payments*" - 6.6.1(b)(i)
"*Lender*" - Introductory Paragraph
"*Lender Group*" - 9.2(b)
"*Liabilities*" - 9.2(b)
"*Licenses*" - 3.1.9
"*Liquidated Damages Amount*" - 2.4.5(b)
"*Management Fee Cap*" - 1.1 (Definition of "Monthly Operating Expense Budgeted Amount") "*Measuring Period*" - 6.7.2
"*Monthly OpEx Certification*" - 6.7.2
"*Nationally Recognized Service Company*" - Schedule V "*Net Proceeds*" - 5.4(b)
"*Net Proceeds Deficiency*" - 5.4(b)(vi)
"*New Mezzanine Loan*" - 9.3.2
"*New Mezzanine Loan Borrower*" - 9.3.2
"*Note*" - 2.1.3
"*Notice*" - 10.6
"*OFAC*" - 4.32(b)
"*OpEx Overpayment Amount*" – 4.9.8
"*Other Taxes*" - 10.24.3
"*Patriot Act Offense*" - 4.32(b)
"*Permitted Indebtedness*" - 4.21
"*Permitted Investments*" - Cash Management Agreement "*Permitted Transfer*" - 7.2
"*PILOT Clawback Liabilities*" - 10.1
"*PML*" - 5.1.1(a)
"*Policies*" - 5.1.1(b)
"*Proscribed Person*" - 4.32(b)
"*Qualified Carrier*" - 5.1.1(i)
"*Radius*" - 5.1.1(c)
"*Real Estate Taxes*" - 1.1 (Definition of "Taxes")
"*Release Date*" - 2.4.2(a)(i)
"*Remaining Rent Abatement Amount*" - 1.1 (*Definition of Occupancy Conditions*)
"*Required Excess Flood Coverage Policy*" - 5.1.1(j)
"*Required Records*" - 4.9.7

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"*Required Repairs*" - 4.37
"*Review Waiver*" - 10.3(b)
"*Rollover Account*" - 6.6.1(a)
"*Rollover Funds*" - 6.6.1(a)
"*Scheduled Capital Expenditure Account*" - 6.7.1
"*Scheduled Capital Expenditure Funds*" - 6.7.1
"*Secondary Market Transaction*" - 9.1(a)
"*Securities*" - 9.1(a)
"*Securities Act* - 9.2(a)
"*Securitization*" - 9.1(a)
"*SEL*" - 5.1.1(a)(i)
"*Servicer*" - 10.21
"*Servicing Agreement*" - 10.21
"*SFHA*" - 5.1.1(a)(i)
"*Sole Member*" - Schedule V
"*Special Member*" - Schedule V
"*Special Purpose Bankruptcy Remote Entity*" - Schedule V "*Springing Recourse Event*" - 10.1 "*Successor Borrower*" - 2.4.2(b)
"*Tax Account*" - 6.3.1
"*Tax Funds*" - 6.3.1
"*Tenant Adjustment Event(s)*" - 1.1 (*Definition of Underwritten Net Cash Flow*) "*Transfer*" - 4.2
"*Transfer and Assumption*" - 7.1
"*Transferee Borrower*" - 7.1
"*Transferee Guarantor*" - 7.1
"*Underwriter Group*" - 9.2(b)
"*Unpaid TILC Obligation Amount*" - 1.1 (*Definition of Occupancy Conditions*)
"*Updated Information*" - 9.1(b)(i)
"*Write-Down and Conversion Powers*" - 10.26

Section 1.3 Principles of Construction. All references to sections and schedules are to sections and schedules in or to this Agreement unless otherwise specified. Unless otherwise specified, the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement or any other Loan Document shall refer to this Agreement or such other Loan Document as a whole and not to any particular provision hereof or thereof. When used in this Agreement or any other Loan Document, the word "including" shall mean "including but not limited to". Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined.

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ARTICLE 2

THE LOAN

Section 2.1 The Loan.

2.1.1 Agreement to Lend and Borrow. Subject to and upon the terms and conditions set forth herein, Lender shall make the Loan to Borrower and Borrower shall accept the Loan from Lender on the Closing Date.

2.1.2 Single Disbursement to Borrower. Borrower shall receive only one borrowing hereunder in respect of the Loan and any amount borrowed and repaid hereunder in respect of the Loan may not be reborrowed.

2.1.3 The Note. The Loan shall be evidenced by that certain Promissory Note of even date herewith, in the stated principal amount of Thirty Million One Hundred Thousand and No/100 Dollars ($30,100,000.00) executed by Borrower and payable to the order of Lender in evidence of the Loan (as the same may hereafter be amended, supplemented, restated, increased, extended or consolidated from time to time, the "***Note***") and shall be repaid in accordance with the terms of this Agreement, the Note and the other Loan Documents.

2.1.4 Use of Proceeds. Borrower shall use proceeds of the Loan to (i) acquire the Property and/or pay and discharge any existing loans relating to the Property, (ii) pay all past-due Taxes, Insurance Premiums and Other Charges, if any, in respect of the Property, (iii) make initial deposits of the Reserve Funds, (iv) pay costs and expenses incurred in connection with the closing of the Loan, and (v) to the extent any proceeds remain after satisfying clauses (i) through (iv) above, for such lawful purpose as Borrower shall designate, provided such purpose does not violate the terms of any Loan Documents.

Section 2.2 Interest Rate.

2.2.1 Interest Rate. Interest on the Outstanding Principal Balance shall accrue throughout the Term at the Interest Rate.

2.2.2 Default Rate. In the event that, and for so long as, any Event of Default shall have occurred and be continuing, the Outstanding Principal Balance and, to the extent not prohibited by applicable law, all other portions of the Debt, shall accrue interest at the Default Rate, calculated from the date such payment was due or such Default shall have occurred without regard to any grace or cure periods contained herein. Interest at the Default Rate shall accrue and be payable and included as part of the Debt regardless of any demand, and without limiting the foregoing shall be paid immediately upon demand, which demand may be made as frequently as Lender shall elect, to the extent not prohibited by applicable law.

2.2.3 Interest Calculation. Interest on the Outstanding Principal Balance shall be calculated by multiplying (A) the actual number of days elapsed in the period for which the calculation is being made by (B) a daily rate based on a three hundred sixty (360) day year (that is, the Interest Rate expressed as an annual rate divided by 360) by (C) the Outstanding Principal Balance. The accrual period for calculating interest due on each Monthly Payment Date shall be the Interest Period immediately prior to such Monthly Payment Date.

2.2.4 Usury Savings. This Agreement and the other Loan Documents are subject to the express condition that at no time shall Borrower be required to pay interest on the Outstanding Principal Balance at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If by the terms of this Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the Outstanding Principal Balance at a rate in excess of the Maximum Legal Rate, the Interest Rate shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

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Section 2.3 Loan Payments.

2.3.1 Payments. On the date hereof, Borrower shall pay interest on the unpaid Outstanding Principal Balance from the Closing Date through and including August 5, 2021 (the "***Initial Interest Period***"). On September 6, 2021 and each Monthly Payment Date thereafter during the Term, Borrower shall make a payment of principal and interest equal to the Monthly Debt Service Payment Amount. The Monthly Debt Service Payment Amount shall be applied first to accrued and unpaid interest and the balance to the Outstanding Principal Balance. Borrower shall also pay to Lender all amounts required in respect of Reserve Funds as set forth in Article 6 hereof.

2.3.2 Payments Generally. After the Initial Interest Period, each interest accrual period thereafter (each, an "***Interest Period***") shall commence on the sixth (6th) day of each calendar month during the Term and shall end on and include the fifth (5th) day of the next occurring calendar month. For purposes of making payments hereunder, but not for purposes of calculating interest accrual periods, if the day on which such payment is due is not a Business Day, then amounts due on such date shall be due on the immediately preceding Business Day. Lender shall have the right from time to time, in its sole discretion, upon not less than ten (10) days prior written notice to Borrower, to change the Monthly Payment Date to a different calendar day and, if requested by Lender, Borrower shall promptly execute an amendment to this Agreement to evidence such change; provided, however, that if Lender shall have elected to change the Monthly Payment Date as aforesaid, Lender shall have the option, but not the obligation, to adjust the Interest Period accordingly. With respect to payments of principal due on the Maturity Date, interest shall be payable at the Interest Rate, through and including the day immediately preceding such Maturity Date. All amounts due pursuant to this Agreement and the other Loan Documents shall be payable without setoff, counterclaim, defense or any other deduction whatsoever.

2.3.3 Payment on Maturity Date. Borrower shall pay to Lender on the Maturity Date the Outstanding Principal Balance, all accrued and unpaid interest and all other amounts due hereunder and under the Note, the Mortgage and the other Loan Documents.

2.3.4 Late Payment Charge. If any principal, interest or any other sum due under the Loan Documents (other than the Outstanding Principal Balance due and payable on the Maturity Date) is not paid by Borrower on the date on which it is due, Borrower shall pay to Lender upon demand an amount equal to the lesser of five percent (5%) of such unpaid sum or the maximum amount permitted by applicable law in order to defray the expense incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of the use of such delinquent payment. Any such amount shall be secured by the Mortgage and the other Loan Documents to the extent permitted by law.

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2.3.5 Method and Place of Payment.

(a) Except as otherwise specifically provided herein, all payments and prepayments under this Agreement and the Note shall be made to Lender not later than 2:00 p.m., New York City time, on the date when due and shall be made in lawful money of the United States of America in immediately available funds at Lender's office or at such other place as Lender shall from time to time designate, and any funds received by Lender after such time shall, for all purposes hereof, be deemed to have been paid on the next succeeding Business Day.

(b) Whenever any payment to be made hereunder or under any other Loan Document shall be stated to be due on a day which is not a Business Day, the due date thereof shall be the immediately preceding Business Day.

(c) All payments required to be made by Borrower hereunder or under the Note or the other Loan Documents shall be made irrespective of, and without deduction for, any setoff, claim or counterclaim and shall be made irrespective of any defense thereto.

Section 2.4 Prepayments.

2.4.1 Prepayments. Except as otherwise provided herein, Borrower shall not have the right to prepay the Loan in whole or in part prior to the Stated Maturity Date.

2.4.2 Defeasance.

(a) Conditions to Defeasance. Provided no Event of Default has occurred and is continuing, at any time after the date (the "***Defeasance Lockout Expiration Date***") which is the earlier of: (A) two (2) years after the "startup day," within the meaning of Section 860G(a)(9) of the Code, of the final "real estate mortgage investment conduit," established within the meaning of Section 860D of the Code, that holds any note that evidences all or any portion of the Loan or (B) three (3) years after the date hereof, Borrower may cause the release of the Property (in whole but not in part) from the Lien of the Mortgage and the other Loan Documents upon the satisfaction of the following conditions:

(i) not less than sixty (60) days prior written notice shall be given to Lender specifying a date (the "***Release Date***") on which the Defeasance Collateral is to be delivered, such Release Date to occur only on a Monthly Payment Date;

(ii) all accrued and unpaid interest and all other sums due under the Note and under the other Loan Documents up to the Release Date, including, without limitation, all out-of-pocket costs and expenses incurred by Lender or its agents in connection with such release (including, without limitation, the reasonable fees and expenses incurred by attorneys and accountants in connection with the review of the proposed Defeasance Collateral and the preparation of the Defeasance Security Agreement and related documentation), shall be paid in full on or prior to the Release Date; and

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(iii) Borrower shall deliver to Lender on or prior to the Release Date:

(A) an amount equal to that which is sufficient to purchase U.S. Obligations that provide for payments (1) on or prior to, but as close as possible to and including, all successive scheduled Monthly Payment Dates after the Release Date through the Stated Maturity Date, and (2) in amounts equal to or greater than the Monthly Debt Service Payment Amount through and including the Stated Maturity Date together with payment in full of the Outstanding Principal Balance as of the Stated Maturity Date (the "***Defeasance Collateral***"), each of which shall be duly endorsed by the holder thereof as directed by Lender or accompanied by a written instrument of transfer in form and substance wholly satisfactory to Lender (including, without limitation, such instruments as may be required by the depository institution holding such securities to effectuate book-entry transfers and pledges through the book-entry facilities of such institution) in order to create a first priority security interest therein in favor of the Lender in conformity with all applicable state and federal laws governing granting of such security interests;

(B) a pledge and security agreement, in form and substance satisfactory to Lender in its sole discretion, creating a first priority security interest in favor of Lender in the Defeasance Collateral (the "***Defeasance Security Agreement***"), which shall provide, among other things, that any payments generated by the Defeasance Collateral shall be paid directly to Lender and applied by Lender in satisfaction of all amounts then due and payable hereunder and any excess received by Lender from the Defeasance Collateral over the amounts payable by Borrower hereunder or under the Note shall be refunded to Borrower promptly after each Monthly Payment Date;

(C) a certificate of Borrower certifying that all of the requirements set forth in this Section 2.4.2 have been satisfied;

(D) an opinion of counsel for Borrower in form and substance and delivered by counsel satisfactory to Lender in its reasonable discretion stating, among other things, that (1) Lender has a perfected first priority security interest in the Defeasance Collateral and that the Defeasance Security Agreement is enforceable against Borrower in accordance with its terms; and (2) that any REMIC Trust formed pursuant to a Securitization will not fail to maintain its status as a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code as a result of such defeasance;

(E) at Lender's request, a Rating Agency Confirmation from each applicable Rating Agency or each such Rating Agency as is required by Lender;

(F) a certificate from a firm of independent public accountants reasonably acceptable to Lender certifying that the Defeasance Collateral is sufficient to satisfy the provisions of Section 2.4.2(a)(iii)(A) above;

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(G) such other certificates, documents or instruments as Lender may reasonably require; and

(H) in connection with the conditions set forth above in this Section 2.4.2(a)(iii), Borrower hereby appoints Lender as its agent and attorney in fact for the purpose of using the amounts delivered pursuant to Section 2.4.2(a)(iii)(A) above to purchase the Defeasance Collateral.

(b) Successor Borrower. Upon the defeasance of the Loan under this Section 2.4.2, Borrower may, or at the option of Lender shall, assign all of its Obligations, together with the pledged Defeasance Collateral, to a successor entity designated by Lender in its sole discretion (in each case, the "***Successor Borrower***"). Lender shall have the right to establish or designate the Successor Borrower and to purchase, or cause to be purchased, the Defeasance Collateral, which rights may be exercised in Lender's sole discretion and shall be retained by the Lender named herein notwithstanding the transfer or securitization of the Loan. Such successor entity shall execute an assumption agreement in form and substance satisfactory to Lender in its sole discretion pursuant to which it shall assume Borrower's Obligations and the Defeasance Security Agreement. As conditions to such assignment and assumption, Borrower shall (i) deliver to Lender an opinion of counsel in form and substance and delivered by counsel satisfactory to Lender in its reasonable discretion stating, among other things, that such assumption agreement is enforceable against Borrower and such successor entity in accordance with its terms and that the Note, the Defeasance Security Agreement and the other Loan Documents, as so assumed, are enforceable against such successor entity in accordance with their respective terms, and (ii) pay all costs and expenses incurred by Lender or its agents in connection with such assignment and assumption (including, without limitation, the review of the proposed transferee and the preparation of the assumption agreement and related documentation). Additionally, Borrower shall pay all costs and expenses incurred by Successor Borrower, including attorneys' fees and expenses, incurred in connection therewith. In connection with a transfer of the Defeasance Collateral to the Successor Borrower, if requested by Lender, Borrower shall, as a condition to such defeasance, deliver or cause to be delivered a non-consolidation opinion in form and substance, and from counsel, satisfactory to the Rating Agencies and reasonably satisfactory to Lender. Upon such assumption, Borrower shall be relieved of its Obligations hereunder, under the other Loan Documents and under the Defeasance Security Agreement other than those Obligations which are specifically intended to survive the termination, satisfaction or assignment of this Agreement or the exercise of Lender's rights and remedies hereunder.

(c) Appointment as Attorney in Fact. Upon the defeasance of the Loan in accordance with clauses (a) and (b) of this Section 2.4.2, Borrower shall have no further right to prepay the Note pursuant to the other provisions of this Section 2.4.2 or otherwise, except pursuant to Section 2.4.3 below. In connection with the conditions set forth in this Section 2.4.2, Borrower hereby appoints Lender as its agent and attorney-in-fact for the purpose of purchasing the Defeasance Collateral with funds provided by Borrower. Borrower shall pay any and all expenses incurred in the purchase of the Defeasance Collateral and any revenue, documentary stamp or intangible taxes or any other tax or charge due in connection with the transfer of the Note or otherwise required to accomplish the agreements of this Section 2.4.2.

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2.4.3 **Open Prepayment**. Notwithstanding anything to the contrary contained herein, and provided that Borrower shall deliver to Lender a Prepayment Notice, Borrower may prepay the entire principal balance of the Note and any other amounts outstanding under the Note, this Agreement, or any of the other Loan Documents, without payment of the Prepayment Fee or any other prepayment premium, penalty or fee, on any Business Day on or after the Open Prepayment Date. If such prepayment is not made on a Monthly Payment Date, Borrower shall also pay interest that would have accrued on the principal balance of the Note to, but not including, the next Monthly Payment Date.

2.4.4 **Mandatory Prepayments**. If Lender is not obligated to make Net Proceeds available to Borrower for Restoration, on the next occurring Monthly Payment Date following the date on which (a) Lender actually receives any Net Proceeds, and (b) Lender has determined that such Net Proceeds shall be applied against the Debt, Borrower shall prepay, or authorize Lender to apply Net Proceeds as a prepayment of, the Debt in an amount equal to one hundred percent (100%) of such Net Proceeds. Except during an Event of Default, such Net Proceeds shall be applied by Lender as follows in the following order of priority: *First*, to all amounts (other than principal and interest) then due and payable under the Loan Documents, including any costs and expenses of Lender in connection with such prepayment); *Second*; accrued and unpaid interest at the Interest Rate; and *Third*, to principal. Notwithstanding anything herein to the contrary, so long as no Event of Default is continuing, no Prepayment Fee or any other prepayment premium, penalty or fee shall be due in connection with any prepayment made pursuant to this Section 2.4.4. Any partial principal prepayment under this Section 2.4.4 shall be applied to the last payments of principal due under the Loan.

2.4.5 **Prepayments After Default**.

(a) If, during the continuance of an Event of Default or from and after an acceleration of the Obligations pursuant to the terms of this Agreement, by operation of law or otherwise, payment of all or any part of the Debt is tendered by or on behalf of Borrower or Guarantor and accepted by Lender or is otherwise recovered by Lender (including through application of any Reserve Funds), such tender or recovery shall be deemed to be a voluntary prepayment by Borrower in violation of the prohibition against prepayment set forth in Section 2.4.1 hereof, and the Debt shall include, all of: (i) all accrued interest at the Default Rate and, if such tender and acceptance is not made on a Monthly Payment Date, interest that would have accrued on the Debt to, but not including, the next Monthly Payment Date, (ii) an amount equal to the Prepayment Fee, and (iii) in the event the payment occurs on or prior to the Defeasance Lockout Expiration Date, the Liquidated Damages Amount.

(b) IF DURING THE CONTINUANCE OF AN EVENT OF DEFAULT, ALL OR ANY PART OF THE LOAN IS REPAID ON OR PRIOR TO THE DEFEASANCE LOCKOUT EXPIRATION DATE, THEN BORROWER SHALL PAY TO LENDER, AS LIQUIDATED DAMAGES AND NOT AS A PENALTY, AND IN ADDITION TO ANY AND ALL OTHER SUMS AND FEES PAYABLE UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AN AMOUNT EQUAL TO TEN PERCENT (10%) OF THE PRINCIPAL AMOUNT BEING REPAID (THE "***LIQUIDATED DAMAGES AMOUNT***").

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Section 2.5 Release of Property.

2.5.1 Release Upon Defeasance. If Borrower has elected to defease the Note and the requirements of Section 2.4.2 have been satisfied, the Property shall be released from the Lien of the Mortgage and the other Loan Documents, and the Defeasance Collateral pledged pursuant to the Defeasance Security Agreement shall constitute the only collateral which shall secure the Note and all other Obligations. In connection with the release of the Lien, Borrower shall submit to Lender, not less than thirty (30) days prior to the Release Date (or such shorter time as is acceptable to Lender in its reasonable discretion), a release of Lien (and related Loan Documents) for execution by Lender. Such release shall be in a form appropriate in the jurisdiction in which the Property is located and contain standard provisions protecting the rights of the releasing lender. In addition, Borrower shall provide all other documentation Lender reasonably requires to be delivered by Borrower in connection with such release, together with an Officer's Certificate certifying that such documentation (i) is in compliance with all Legal Requirements, and (ii) will effect such release in accordance with the terms of this Agreement. Borrower shall pay all costs, taxes and expenses associated with the release of the Lien of the Mortgage, including Lender's reasonable attorneys' fees. Borrower, pursuant to the Defeasance Security Agreement, shall authorize and direct that the payments received from Defeasance Collateral be made directly to Lender and applied to satisfy the Obligations, including payment in full of the Outstanding Principal Balance as of the Stated Maturity Date.

2.5.2 Release on Payment in Full. Lender shall, upon the written request and at the expense of Borrower, upon payment in full of the Debt in accordance with the terms and provisions of the Loan Documents, release the Lien of the Mortgage and cause the trustee under the Mortgage to reconvey the Property to Borrower; provided, that, in no event shall such Lien (or any other security for the Loan) be released, if, at the time of such purported repayment in full of the Debt, there exists any known matter (including, without limitation, any pending Lien or litigation) that is (or would be, absent such purported release or termination) reasonably likely to result in a claim by Lender (as such term is used in Section 4.30 hereof) for reimbursement and/or indemnification pursuant to the provisions of this Agreement and the other Loan Documents, until Lender has determined such reimbursement or indemnification obligation have been satisfied in full. In connection with the release of the Lien, Borrower shall submit to Lender, not less than thirty (30) days prior to the Repayment Date (or such shorter time as is acceptable to Lender in its sole discretion), a release of Lien (and related Loan Documents) for execution by Lender. Such release shall be in a form appropriate in the jurisdiction in which the Property is located and contain standard provisions protecting the rights of the releasing lender. In addition, Borrower shall provide all other documentation Lender reasonably requires to be delivered by Borrower in connection with such release, together with an Officer's Certificate certifying that such documentation (i) is in compliance with all Legal Requirements, and (ii) will effect such release in accordance with the terms of this Agreement. Borrower shall pay all costs, taxes and expenses associated with the release of the Lien of the Mortgage, including Lender's reasonable attorneys' fees.

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ARTICLE 3

REPRESENTATIONS AND WARRANTIES

Section 3.1 Borrower Representations. Borrower represents and warrants that, except to the extent (if any) disclosed on **Schedule IV** hereto with reference to a specific subsection of this Section 3.1:

3.1.1 Organization; Special Purpose. Borrower is duly organized, validly existing and in good standing with full power and authority to own its assets and conduct its business, and is duly qualified and in good standing in the jurisdiction in which the Property is located and in all jurisdictions in which the ownership or lease of its property or the conduct of its business requires such qualification, and Borrower has taken all necessary action to authorize the execution, delivery and performance of this Agreement and the other Loan Documents by it, and has the power and authority to execute, deliver and perform under this Agreement, the other Loan Documents and all the transactions contemplated hereby. Borrower is a Special Purpose Bankruptcy Remote Entity.

3.1.2 Proceedings; Enforceability. This Agreement and the other Loan Documents have been duly authorized, executed and delivered by Borrower and constitute a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The Loan Documents are not subject to any right of rescission, set-off, counterclaim or defense by Borrower or Guarantor including the defense of usury, nor would the operation of any of the terms of the Loan Documents, or the exercise of any right thereunder, render the Loan Documents unenforceable, and none of Borrower or Guarantor have asserted any right of rescission, set-off, counterclaim or defense with respect thereto.

3.1.3 No Conflicts. The execution and delivery of this Agreement and the other Loan Documents by Borrower and the performance of its Obligations hereunder and thereunder will not conflict with any provision of any law or regulation to which Borrower is subject, or conflict with, result in a breach of, or constitute a default under, any of the terms, conditions or provisions of any of Borrower's organizational documents or any agreement or instrument to which Borrower is a party or by which it is bound, or any order or decree applicable to Borrower, or result in the creation or imposition of any Lien on any of Borrower's assets or property (other than pursuant to the Loan Documents).

3.1.4 Litigation. There is no action, suit, proceeding or investigation pending or, to the best of Borrower's knowledge, threatened against Borrower, Guarantor, the Manager or the Property in any court or by or before any other Governmental Authority which, if adversely determined, would be reasonably likely to materially and adversely affect the condition (financial or otherwise) or business of Borrower (including the ability of Borrower to carry out the transactions contemplated by this Agreement), Guarantor, Manager or the condition or ownership of the Property.

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3.1.5 **Agreements**. Borrower is not a party to any agreement or instrument or subject to any restriction which would be reasonably likely to materially and adversely affect Borrower or the Property, or Borrower's business, properties or assets, operations or condition, financial or otherwise. Borrower is not in default with respect to any order or decree of any court or any order, regulation or demand of any Governmental Authority, which default would be reasonably likely to have consequences that would materially and adversely affect the condition (financial or other) or operations of Borrower or its properties or would be reasonably likely to have consequences that would adversely affect its performance hereunder. Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Property is bound.

3.1.6 **Consents**. No consent, approval, authorization or order of any court or Governmental Authority is required for the execution, delivery and performance by Borrower of, or compliance by Borrower with, this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby, other than those which have been obtained by Borrower.

3.1.7 **Property; Title**.

(a) Borrower has good, marketable and insurable leasehold title to the real property comprising part of the Property and good title to the balance of the Property owned by it, free and clear of all Liens whatsoever except the Permitted Encumbrances. The Mortgage, when properly recorded in the appropriate records, together with any Uniform Commercial Code financing statements required to be filed in connection therewith, will create (i) a valid, first priority, perfected Lien on Borrower's interest in the Property, subject only to Permitted Encumbrances, and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty (including the Leases), all in accordance with the terms thereof, in each case subject only to the Permitted Encumbrances. There are no mechanics', materialman's or other similar Liens or claims which have been filed for work, labor or materials affecting the Property which are or may be Liens prior to, or equal or coordinate with, the Lien of the Mortgage. None of the Permitted Encumbrances, individually or in the aggregate, (a) materially interfere with the benefits of the security intended to be provided by the Mortgage and this Agreement, (b) materially and adversely affect the value of the Property, (c) impair the use or operations of the Property (as currently used), or (d) impair Borrower's ability to pay its Obligations in a timely manner.

(b) All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid under applicable Legal Requirements in connection with the transfer of the Property to Borrower have been paid or are being paid simultaneously herewith. All mortgage, mortgage recording, stamp, intangible or other similar tax required to be paid under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Loan Documents, including the Mortgage, have been paid or are being paid simultaneously herewith. All taxes and governmental assessments due and owing in respect of the Property have been paid, or an escrow of funds in an amount sufficient to cover such payments has been established hereunder or are insured against by the Title Insurance Policy.

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(c) The Property is comprised of one (1) or more parcels which constitute separate tax lots and do not constitute a portion of any other tax lot not a part of the Property.

(d) No Condemnation or other proceeding has been commenced or, to Borrower's best knowledge, is contemplated with respect to all or any portion of the Property or for the relocation of roadways providing access to the Property.

(e) To Borrower's best knowledge, there are no pending or proposed special or other assessments for public improvements or otherwise affecting the Property, nor are there any contemplated improvements to the Property that may result in such special or other assessments.

3.1.8 **ERISA; No Plan Assets**. As of the date hereof and throughout the Term (i) Borrower, Guarantor and the ERISA Affiliates do not sponsor, are not obligated to contribute to, and are not themselves an "employee benefit plan," as defined in Section 3(3) of ERISA or Section 4975 of the Code, (ii) none of the assets of Borrower or Guarantor constitutes or will constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101 as modified in operation by Section 3(42) of ERISA, (iii) Borrower and Guarantor are not and will not be a "governmental plan" within the meaning of Section 3(32) of ERISA, and (iv) transactions by or with Borrower or Guarantor are not and will not be subject to state statutes regulating investment of, and fiduciary obligations with respect to, governmental plans. As of the date hereof, neither Borrower, nor any ERISA Affiliate maintains, sponsors or contributes to or has any obligations with respect to a "defined benefit plan" (within the meaning of Section 3(35) of ERISA) or a "multiemployer pension plan" (within the meaning of Section 3(37)(A) of ERISA). Borrower has not engaged in any transaction in connection with which it could be subject to either a material civil penalty assessed pursuant to the provisions of Section 502 of ERISA or a material tax imposed under the provisions of Section 4975 of the Code.

3.1.9 **Compliance**. Borrower and the Property (including, but not limited to the Improvements) and the use thereof comply in all material respects with all applicable Legal Requirements, including parking, building and zoning and land use laws, ordinances, regulations and codes of any Governmental Authority. Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority, the violation of which would be reasonably likely to materially adversely affect the condition (financial or otherwise) or business of Borrower. Borrower has not committed any act which may give any Governmental Authority the right to cause Borrower to forfeit the Property or any part thereof or any monies paid in performance of Borrower's Obligations under any of the Loan Documents. The Property is used exclusively for industrial and other appurtenant and related uses. In the event that all or any part of the Improvements are destroyed or damaged, said Improvements can be legally reconstructed to their condition prior to such damage or destruction, and thereafter exist for the same use without violating any zoning or other ordinances applicable thereto and without the necessity of obtaining any variances or special permits. No legal proceedings are pending or, to the knowledge of Borrower, threatened with respect to the zoning of the Property. Neither the zoning nor any other right to construct, use or operate the Property is in any way dependent upon or related to any property other than the Property. All certifications, permits, licenses and approvals, including without limitation, certificates of completion and occupancy permits required of Borrower for the legal use, occupancy and operation of the Property for its current use (collectively, the "***Licenses***"), have been obtained and are in full force and effect. The use being made of the Property is in conformity with the certificate of occupancy issued for the Property and all other restrictions, covenants and conditions affecting the Property. Without limitation of the foregoing, the Property currently contains 31 total parking spaces, and there is sufficient unused and/or vacant space at the Property to stripe an additional 136 parking spaces (such that the Property would have 167 total parking spaces).

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3.1.10 Financial Information. All financial data, including the statements of cash flow and income and operating expense, that have been delivered to Lender in connection with the Loan (i) are true, complete and correct in all material respects, (ii) accurately represent the financial condition of the Property as of the date of such reports, and (iii) have been prepared in accordance with the Acceptable Accounting Method throughout the periods covered, except as disclosed therein. Borrower does not have any contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments that are known to Borrower and reasonably likely to have a materially adverse effect on the Property or the operation thereof, except as referred to or reflected in said financial statements. Since the date of the financial statements, there has been no material adverse change in the financial condition, operations or business of Borrower or the Property from that set forth in said financial statements.

3.1.11 Easements; Utilities and Public Access. All easements, cross easements, licenses, air rights and rights-of-way or other similar property interests (collectively, "***Easements***"), if any, necessary for the full utilization of the Improvements for the Borrower's and/or any Tenant's intended purposes have been obtained, are described in the Title Insurance Policy and are in full force and effect without default thereunder. The Property has rights of access to public ways and is served by water, sewer, sanitary sewer and storm drain facilities adequate to service the Property for the Borrower's and/or any Tenant's intended uses. All public utilities necessary or convenient to the full use and enjoyment of the Property for the Borrower's and/or any Tenant's intended uses are located in the public right-of-way abutting the Property or pass through private property and are subject to a valid irrevocable easement to which the Property has uninhibited access rights, and all such utilities are connected so as to serve the Property without passing over other property absent a valid irrevocable easement, except that the Property currently receives services with respect to certain electric, fire water, sewer (sanitary and storm) and internet utility facilities located underneath certain neighboring private property for which there are no recorded written easements (the "***Affected Underground Utilities***"). To Borrower's knowledge, (i) no Person has objected to the location and/or use of the Affected Underground Utilities, (ii) the Affected Underground Utilities with respect to fire water service have been in service for more than sixty (60) years, (iii) the Affected Underground Utilities with respect to electricity service have been in service for more than ten (10) years, (iv) the Affected Underground Utilities with respect to sewer service pipelines have been in service for more than one hundred (100) years, and (v) if the Affected Underground Utilities were curtailed and/or no longer accessible and/or otherwise available, then (A) alternative access to the relevant public utilities necessary or convenient to the full use and enjoyment of the Property for the Borrower's and/or any Tenant's intended uses would be available via one or more public rights-of-way abutting the Property or pass through private property and be subject to a valid irrevocable easement to which the Property has uninhibited access rights and (B) Borrower estimates that implementing such alternative access would reasonably be anticipated to cost approximately $2,000,000.00 and would not reasonably be anticipated to take longer than six (6) months. Affected Underground Utilities All roads necessary for the use of the Property for its current purpose have been completed and either (x) are private roads to which the Property has uninhibited access via an irrevocable easement or irrevocable right of way, in each case, permitting ingress and egress to and from a public road dedicated to public use and accepted by all Governmental Authorities or (y) have been dedicated to public use and accepted by all Governmental Authorities.

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3.1.12 Assignment of Leases. The Assignment of Leases creates a valid assignment of, or a valid security interest in, certain rights under the Leases, subject only to a license granted to Borrower to exercise certain rights and to perform certain obligations of the lessor under the Leases, including the right to operate the Property. No Person other than Lender has any interest in or assignment of the Leases or any portion of the Rents due and payable or to become due and payable thereunder.

3.1.13 Insurance. Borrower has obtained and has delivered to Lender original or complete certified copies of all of the Policies, with all premiums prepaid thereunder, reflecting the insurance coverages, amounts and other requirements set forth in this Agreement. No claims have been made under any of the Policies, and no Person, including Borrower, has done, by act or omission, anything which would impair the coverage of any of the Policies.

3.1.14 Flood Zone. None of the Improvements on the Property are located in an area identified by the Federal Emergency Management Agency as a special flood hazard area, or, if so located the flood insurance required pursuant to Section 5.1.1(a) hereof is in full force and effect with respect to the Property.

3.1.15 Physical Condition. Except as may be expressly set forth in the Physical Conditions Report, the Property, including all buildings, improvements, parking facilities, sidewalks, storm drainage systems, roofs, plumbing systems, HVAC systems, fire protection systems, electrical systems, equipment, elevators, exterior sidings and doors, landscaping, irrigation systems and all structural components, are in good condition, order and repair in all material respects; there exists no structural or other material defects or damages in the Property, whether latent or otherwise, and Borrower has not received notice from any insurance company or bonding company of any defects or inadequacies in the Property, or any part thereof, which would adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges thereon or any termination or threatened termination of any policy of insurance or bond.

3.1.16 Boundaries. All of the Improvements which were included in determining the appraised value of the Property lie wholly within the boundaries and building restriction lines of the Property, and no improvements on adjoining properties encroach upon the Property, and no easements or other encumbrances affecting the Property encroach upon any of the Improvements, so as to affect the value or marketability of the Property, except those which are set forth on the Survey and insured against by the Title Insurance Policy.

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3.1.17 Leases. The rent roll attached hereto as **Schedule I** is true, complete and correct and reflects the terms of any lease modifications, waivers or deferrals agreed to by Borrower, and the Property is not subject to any Leases other than the Leases described in **Schedule I**. Borrower is the owner and lessor of landlord's interest in the Leases. No Person has any possessory interest in the Property or right to occupy the same except under and pursuant to the provisions of the Leases. Except as set forth on the rent roll attached hereto as **Schedule I**: (i) the Leases are in full force and effect and there are no defaults thereunder by either party beyond any applicable notice or cure period, and there are no conditions that, with the passage of time or the giving of notice, or both, would constitute defaults thereunder, (ii) the copies of the Leases delivered to Lender are true and complete, and there are no oral agreements with respect thereto, (iii) no Rent (excluding security deposits) has been paid more than one (1) month in advance of its due date, (iv) all work to be performed by Borrower under each Lease has been performed as required and has been accepted by the applicable Tenant, (v) any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by Borrower to any Tenant has already been received by such Tenant, (vi) the Tenants under the Leases have accepted possession of and are in actual occupancy of all of their respective demised Property and have commenced the payment of full, unabated rent under the Leases, (vii) Borrower has delivered to Lender a true, correct and complete list of all security deposits made by Tenants at the Property which have not been applied (including accrued interest thereon), all of which are held by Borrower in accordance with the terms of the applicable Lease and applicable Legal Requirements, (viii) each Tenant under a Lease and any guarantor of such Tenant's obligations is free from bankruptcy or reorganization proceedings, (ix) no Tenant under any Lease (or any sublease) is an Affiliate of Borrower, except PUREgraphite Tenant pursuant to the PUREgraphite Lease, (x) the Tenants under the Leases are open for business (other than PUREgraphite Tenant) and paying full, unabated rent and no Tenant has requested to discontinue its business at its premises or has gone dark (or has noticed Borrower of its intent to go dark) in all or a material portion of its leased premises, (xi) there are no brokerage fees or commissions due and payable in connection with the leasing of space at the Property, and no such fees or commissions will become due and payable in the future in connection with the Leases, including by reason of any extension of such Lease or expansion of the space leased thereunder, (xii) no Tenant has assigned its Lease or sublet all or any portion of the premises demised thereby, no such Tenant holds its leased premises under assignment or sublease, nor does anyone except such Tenant and its employees occupy such leased premises, (xiii) no Tenant has informed Borrower or otherwise given notice (whether written or oral) that it intends to (or will seek to) "go dark", vacate, cease to occupy or cease to conduct business in the ordinary course at its leased premises or any portion thereof, pursuant to any force majeure clause contained in its Lease or otherwise as a result of any pandemic, including, without limitation, the COVID-19 pandemic, (xiv) no Tenant has directly or indirectly (A) asserted any defense against the payment of any rent or other amounts under its Lease or the performance of any other obligations under its Lease, (B) sought or given notice (whether written or oral) that it intends to seek any relief or other concessions with respect to the payment of any rent or other amounts under its Lease or the performance of any other obligations under its Lease or (C) made any other request for or otherwise given notice (whether written or oral) that it intends to seek any amendment, deferral, forbearance, waiver or other modification of any term or provision of its Lease, in any case, pursuant to any force majeure clause contained in its Lease or otherwise as a result of any pandemic, including, without limitation, the COVID-19 pandemic and (xv) Borrower is not currently in discussions or negotiations (directly or indirectly) with any Tenant with respect to, and no Tenant has requested in writing, any material amendment or modification of the Lease (including, without limitation, any reduction, deferral or waiver in the rent or the term thereof or in any other amounts due thereunder). No Tenant under any Lease has a right or option pursuant to such Lease or otherwise to purchase all or any part of the leased premises or the building of which the leased premises are a part. There has been no prior sale, transfer or assignment, hypothecation or pledge of any Lease or of the Rents received therein which is still in effect. All contingencies under the PUREgraphite Lease to the effectiveness thereof have been satisfied.

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3.1.18 Tax Filings. To the extent required, Borrower has filed (or has obtained effective extensions for filing) all federal, state, commonwealth, district and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal, state, commonwealth, district and local taxes, charges and assessments payable by Borrower. Borrower's tax returns (if any) properly reflect the income and taxes of Borrower for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit.

3.1.19 No Fraudulent Transfer. Borrower (i) has not entered into the transaction or any Loan Document with the actual intent to hinder, delay, or defraud any creditor, and (ii) received reasonably equivalent value in exchange for its Obligations under the Loan Documents. Giving effect to the Loan, the fair saleable value of Borrower's assets exceeds and will, immediately following the making of the Loan, exceed Borrower's total liabilities, including subordinated, unliquidated, disputed and contingent liabilities. The fair saleable value of Borrower's assets is, and immediately following the making of the Loan, will be, greater than Borrower's probable liabilities, including the maximum amount of its contingent liabilities on its debts as such debts become absolute and matured. Borrower's assets do not and, immediately following the making of the Loan will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur Indebtedness and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such Indebtedness and liabilities as they mature (taking into account the timing and amounts of cash to be received by Borrower and the amounts to be payable on or in respect of the obligations of Borrower). No petition in bankruptcy has been filed against Borrower or any constituent Person of Borrower, and neither Borrower nor any constituent Person of Borrower has ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors. Neither Borrower nor any of its constituent Persons are contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency laws or the liquidation of all or a major portion of Borrower's assets or properties, and Borrower has no knowledge of any Person contemplating the filing of any such petition against it or such constituent Persons.

3.1.20 Federal Reserve Regulations. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose which would be inconsistent with such Regulation U or any other Regulations of such Board of Governors, or for any purposes prohibited by Legal Requirements or by the terms and conditions of this Agreement or the other Loan Documents.

3.1.21 Organizational Chart. The organizational chart attached as **Schedule III**, relating to Borrower and certain Affiliates and other parties, is true, complete and correct on and as of the date hereof. No Person, other than those Persons shown on **Schedule III,** has any ownership interest in, or right of Control, directly or indirectly, in Borrower.

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3.1.22 Organizational Status. Borrower's exact legal name is: Novonix 1029, LLC. Borrower is a single member limited liability company, and the jurisdiction in which Borrower is organized is: Delaware. Borrower's Tax I.D. number is 87-1441384**,** and Borrower's Delaware Organizational I.D. number is 5979961.

3.1.23 Bank Holding Company. Borrower is not a "bank holding company" or a direct or indirect subsidiary of a "bank holding company" as defined in the Bank Holding Company Act of 1956, as amended, and Regulation Y thereunder of the Board of Governors of the Federal Reserve System.

3.1.24 No Casualty. The Improvements have suffered no material casualty or damage which has not been fully repaired and the cost thereof fully paid.

3.1.25 Purchase Options. Neither the Property nor any part thereof are subject to any purchase options, rights of first refusal, rights of first offer or other similar rights in favor of third parties.

3.1.26 FIRPTA. Borrower is not a "foreign person" within the meaning of Sections 1445 or 7701 of the Code.

3.1.27 Investment Company Act. Borrower is not (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (ii) subject to any other United States federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

3.1.28 Fiscal Year. Each fiscal year of Borrower commences on July 1.

3.1.29 Other Debt. There is no indebtedness with respect to the Property or any excess cash flow or any residual interest therein, whether secured or unsecured, other than Permitted Encumbrances and Permitted Indebtedness.

3.1.30 Contracts.

(a) Borrower has not entered into, and is not bound by, any Major Contract which continues in existence, except those previously disclosed in writing to Lender.

(b) Each of the Major Contracts is in full force and effect, there are no monetary or other material defaults by Borrower thereunder and, to the best knowledge of Borrower, there are no monetary or other material defaults thereunder by any other party thereto. None of Borrower, Manager or any other Person acting on Borrower's behalf has given or received any notice of default under any of the Major Contracts that remains uncured or in dispute.

(c) Borrower has delivered true, correct and complete copies of the Major Contracts (including all amendments and supplements thereto) to Lender.

(d) Except for the PUREGraphite Tenant under the PUREGraphite Lease, no Major Contract has as a party an Affiliate of Borrower. All fees and other compensation for services previously performed under the Management Agreement have been paid in full.

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3.1.31 Full and Accurate Disclosure. No statement of fact made by Borrower in this Agreement or in any of the other Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading. There is no material fact presently known to Borrower which adversely affects, nor as far as Borrower can foresee, would be reasonably likely to adversely affect, the Property or the business, operations or condition (financial or otherwise) of Borrower or Guarantor, including any Lease Sweep Lease or any Tenant under any Lease Sweep Lease.

3.1.32 Other Obligations and Liabilities. Borrower has no liabilities or other obligations that arose or accrued prior to the date hereof that, either individually or in the aggregate, could have a material adverse effect on Borrower, the Property and/or Borrower's ability to pay the Debt. Borrower has no known contingent liabilities.

3.1.33 Intellectual Property/Websites. Other than as set forth on **Schedule VI**, neither Borrower nor any Affiliate (i) has or holds any tradenames, trademarks, servicemarks, logos, copyrights, patents or other intellectual property (collectively, "***Intellectual Property***") with respect to Borrower's ownership or leasehold interest in the Property or (ii) is the registered holder of any website with respect to the Property.

3.1.34 Operations Agreements.

(a) Each Operations Agreement is in full force and effect and neither Borrower nor, to Borrower's knowledge, any other party to any Operations Agreement, is in default thereunder, and to the best of Borrower's knowledge, there are no conditions which, with the passage of time or the giving of notice, or both, would constitute a default thereunder. Except as described herein, none of the REAs and/or the PILOT Documents has been modified, amended or supplemented.

(b) (i) The PILOT Agreement requires that, in order to receive the full tax abatement described more particularly therein, *inter alia*, Borrower and/or PUREGraphite Tenant must satisfy the Minimum Jobs Requirement (as defined in the PILOT Agreement) and the Minimum Investment Requirement (as defined in the PILOT Agreement) by the end of the Five Year Period (as defined in the PILOT Agreement) and throughout the remainder of the 10-year Tax Abatement Period (as defined in the PILOT Agreement) thereunder. (ii) The Minimum Jobs Requirement equals two hundred forty (240) full-time jobs with an average annual wage of note less than $42,000 per year. (iii) The Minimum Investment Requirement equals $120,000,000.00. (iv) Although the PILOT Agreement permits the Minimum Jobs Requirement and the Minimum Investment Requirement to be satisfied (in whole or in part) with reference to certain jobs and/or capital expenditures made at other facilities owned by PUREGraphite within the City of Chattanooga, Tennessee, Borrower anticipates that the Minimum Jobs Requirement and the Minimum Investment Requirement will be satisfied solely in connection with the Property. (v) If the Minimum Jobs Requirement and/or the Minimum Investment Requirement are not satisfied during the Term (as defined in the PILOT Agreement), including, without limitation, as the result of any cessation of operations at the property, then (A) Borrower would not be liable with respect to any increased taxes as a result of such failure with respect to any personal property and/or equipment owned and/or leased by PUREGraphite Tenant, and (B) Borrower would not be liable for any repayment of previously abated amounts with respect to any personal property and/or equipment owned and/or leased by PUREGraphite Tenant.

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3.1.35 Ground Lease. Borrower hereby represents and warrants to Lender the following with respect to the Ground Lease:

(a) Recording; Modification. The Ground Lease has been duly recorded. The Ground Lease permits the interest of Borrower to be encumbered by a mortgage. There have not been amendments or modifications to the terms of the Ground Lease since its recordation, with the exception of written instruments which have been recorded. The Ground Lease may not be canceled, terminated, surrendered or amended and Borrower's rights under the Ground Lease may not be waived without the prior written consent of Lender.

(b) No Liens. Except for the Permitted Encumbrances, Borrower's interest in the Ground Lease is not subject to any Liens or encumbrances superior to, or of equal priority with, the Mortgage other than the ground lessor's related fee interest. Such Ground Lease is, and shall remain, prior to any mortgage or Lien upon the ground lessor's related fee interest and ground lessor has not entered into any agreement to subordinate the Ground Lease to any future mortgages or Liens upon the ground lessor's related fee interest.

(c) Ground Lease Assignable. Borrower's interest in the Ground Lease is assignable to Lender upon notice to, but without the consent of, the ground lessor (or, if any such consent is required, it has been obtained prior to the Closing Date). The Ground Lease is further assignable by Lender, its successors and assigns without the consent of the ground lessor.

(d) Default. As of the date hereof, the Ground Lease is in full force and effect and no default has occurred under the Ground Lease and there is no existing condition which, but for the passage of time and/or the giving of notice, could result in a default under the terms of the Ground Lease. All rents, additional rents and other sums due and payable under the Ground Lease have been paid in full. Neither Borrower nor the ground lessor under the Ground Lease has commenced any action or given or received any notice for the purpose of terminating the Ground Lease.

(e) No Merger. The Ground Lease requires that fee title to the Property and the leasehold estate created by the Ground Lease shall not merge and shall always be kept separate and distinct, notwithstanding the union of such estates in Borrower, Lender or any other person by purchase, operation of law or otherwise.

(f) Notice. The Ground Lease requires the ground lessor to give notice of any default by Borrower to Lender. The Ground Lease, or estoppel letters received by Lender from the ground lessor, further provides that notice of termination given under the Ground Lease is not effective against Lender unless a copy of the notice has been delivered to Lender in the manner described in the Ground Lease.

(g) Cure. Lender is permitted the opportunity (including, where necessary, sufficient time to gain possession of the interest of Borrower under the Ground Lease) to cure any default under the Ground Lease which is curable, after the receipt of notice of the default, before the ground lessor thereunder may terminate the Ground Lease.

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(h) Term. The term of the Ground Lease will expire (unless earlier terminated) on December 31 of the year in which the Tax Abatement Period (as defined in the PILOT Agreement) expires.

(i) New Lease. The Ground Lease requires the ground lessor to enter into a new lease with Lender on substantially similar terms upon termination of the Ground Lease for any reason or if the Ground Lease is rejected or disaffirmed pursuant to any bankruptcy, insolvency or other law affecting creditors' rights. Such new lease shall be prior to any existing mortgage upon the ground lessor's related fee interest.

(j) Insurance Proceeds. Under the terms of the Ground Lease and the Mortgage, taken together, any related insurance and condemnation proceeds will be applied either to the repair or restoration of all or part of the Property, with Lender having the right to hold and disburse the proceeds as the repair or restoration progresses, or to the payment of the Outstanding Principal Balance together with any accrued interest thereon.

(k) Subleasing. The Ground Lease does not impose any restrictions on subleasing.

(l) Ground Rent. No Ground Rent is payable to the ground lessor pursuant to the terms of the Ground Lease.

3.1.36 Tenant Grants and Credits. To Borrower's knowledge, PUREgraphite Tenant has applied to receive and/or intends to apply to receive the following (collectively, the "***Tenant Additional Incentives***"): (a) a grant in the amount of approximately $3,000,000 from the State of Tennessee and/or the Tennessee Department of Economic and Community Development in connection with the creation and/or maintenance of certain jobs at the Property, (b) an economic development incentive in the amount of approximately $9,400,000 from the Tennessee Valley Authority ("***TVA***") in connection with PUREgraphite Tenant's operations at, and/or investments in, the Property, which incentive is anticipated to be applied as credits to monthly power bills over a period not to exceed five (5) years, and/or (c) an economic development incentive in the amount of approximately $255,000 from the TVA in the form of a grant that may be used, *inter alia*, for public or private infrastructure development, the purchase of fixed assets or energy efficiency. Neither Borrower nor the Property will have any liability in connection with the Tenant Additional Incentives, including, without limitation, as the result of any failure by PUREgraphite Tenant to satisfy any obligations in connection with such Tenant Additional Incentives. PUREgraphite Tenant's obligations pursuant to the PUREgraphite Lease (x) are not contingent upon PUREgraphite Tenant's receipt of any such Tenant Additional Incentives and (y) will not be materially impaired and/or otherwise affected in any material respect by any failure by PUREgraphite Tenant to receive all or any portion of the Tenant Additional Incentives.

3.1.37 Illegal Activity. No portion of the Property has been or will be purchased with proceeds of any illegal activity and to the best of Borrower's knowledge, there are no illegal commercial activities or commercial activities relating to controlled substances at the Property (including, without limitation, any growing, distributing and/or dispensing of marijuana for commercial purposes, medical or otherwise for so long as the foregoing is a violation of a Legal Requirement of any applicable Governmental Authority).

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Section 3.2 **Survival of Representations**. The representations and warranties set forth in Section 3.1 and elsewhere in this Agreement and the other Loan Documents shall (i) survive until the Obligations have been paid and performed in full and (ii) be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

ARTICLE 4

BORROWER COVENANTS

Until the end of the Term, Borrower hereby covenants and agrees with Lender that:

Section 4.1 **Payment and Performance of Obligations**. Borrower shall pay and otherwise perform the Obligations in accordance with the terms of this Agreement and the other Loan Documents.

Section 4.2 **Due on Sale and Encumbrance; Transfers of Interests**. Borrower acknowledges that Lender has examined and relied on the experience of Borrower and its stockholders, general partners and members, as applicable, and principals of Borrower in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Borrower's ownership of the Property as a means of maintaining the value of the Property as security for repayment of the Debt and the performance of the Other Obligations. Borrower acknowledges that Lender has a valid interest in maintaining the value of the Property so as to ensure that, should Borrower default in the repayment of the Debt or the performance of the Other Obligations, Lender can recover the Debt by a sale of the Property. Therefore, without the prior written consent of Lender, but, in each instance, subject to the provisions of Article 7, neither Borrower nor any other Person having a direct or indirect ownership or beneficial interest in Borrower shall sell, convey, mortgage, grant, bargain, encumber, pledge, assign or transfer the Property or any part thereof, or any interest, direct or indirect, in Borrower, whether voluntarily or involuntarily or enter into or subject the Property to a PACE Loan (a "***Transfer***"). A Transfer within the meaning of this Section 4.2 shall be deemed to include (i) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; (ii) an agreement by Borrower for the leasing of all or a substantial part of the Property for any purpose other than the actual occupancy by a space Tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases, Rents or other Gross Revenue; (iii) with respect to any corporation, the voluntary or involuntary sale, conveyance or transfer of such corporation's stock (or the stock of any corporation directly or indirectly controlling such corporation by operation of law or otherwise) or the creation or issuance of new stock; (iv) with respect to any limited or general partnership, joint venture or limited liability company, or trust or other association, the change, removal, resignation or addition of a general partner, managing member, non-managing member, limited partner, joint venturer or member or beneficial or other interest, the transfer of the partnership interest of any general partner or limited partner, the transfer of the interest of any joint venturer or member or beneficial or other direct or indirect ownership interest or the creation or issuance of new membership or partnership interests or beneficial or other ownership interests; (v) with respect to any limited liability company, the division (whether pursuant to Section 18-217 of the Act or otherwise) of any assets and liabilities of such entity amongst one or more new or existing entities; (vi) any action or occurrence which results in Key Principal no longer Controlling Borrower, (vii) any surrender, termination, cancellation, change, amendment, supplementation or other modification of the Ground Lease; (viii) any pledge, hypothecation, assignment, transfer or other encumbrance of any direct or indirect ownership interest in Borrower; and (ix) any exercise of any right of first refusal, right of first offer or other similar right to acquire and/or lease any additional real property, in each case, pursuant to the West End Supplemental Agreement (as defined on Schedule XIII hereto).

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Section 4.3 **Liens**. Borrower shall not create, incur, assume or permit to exist any Lien on any direct or indirect interest in Borrower or any portion of the Property, except for the Permitted Encumbrances. After prior notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding, conducted in good faith and with due diligence, the amount or validity of any Liens on the Property, provided that (i) no Event of Default has occurred and remains uncured; (ii) such proceeding shall be permitted under and be conducted in accordance with all applicable statutes, laws and ordinances; (iii) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost; (iv) Borrower shall promptly upon final determination thereof pay the amount of any such Liens, together with all costs, interest and penalties which may be payable in connection therewith; (v) to insure the payment of such Liens, Borrower shall deliver to Lender either (A) cash in an amount equal to one hundred twenty-five percent (125%) of the contested amount or (B) a payment bond in an amount equal to one hundred percent (100%) of the contested amount from a surety acceptable to Lender in its reasonable discretion, (vi) failure to pay such Liens will not subject Lender to any civil or criminal liability, (vii) such contest shall not affect the ownership, use or occupancy of the Property, and (viii) Borrower shall, upon request by Lender, give Lender prompt notice of the status of such proceedings and/or confirmation of the continuing satisfaction of the conditions set forth in clauses (i) through (vii) of this Section 4.3. Lender may pay over any such cash or other security held by Lender to the claimant entitled thereto at any time when, in the reasonable judgment of Lender, the entitlement of such claimant is established or the Property (or any part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost or there shall be any danger of the Lien of the Mortgage being primed by any related Lien.

Section 4.4 **Special Purpose**. Without in any way limiting the provisions of this Article 4, Borrower shall at all times be a Special Purpose Bankruptcy Remote Entity. Borrower shall not directly or indirectly make any change, amendment or modification to its organizational documents, or otherwise take any action which could result in Borrower not being a Special Purpose Bankruptcy Remote Entity.

Section 4.5 **Existence; Compliance with Legal Requirements**. Borrower shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence and all rights, licenses, permits, franchises and all applicable governmental authorizations necessary for the operation of the Property and comply with all Legal Requirements applicable to it and the Property.

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Section 4.6 **Taxes and Other Charges**. Borrower shall pay all Taxes and Other Charges now or hereafter levied, assessed or imposed as the same become due and payable, and shall furnish to Lender receipts for the payment of the Taxes and the Other Charges prior to the date the same shall become delinquent (provided, however, that Borrower need not pay Taxes directly nor furnish such receipts for payment of Taxes to the extent that funds to pay for such Taxes have been deposited into the Tax Account pursuant to Section 6.3). Borrower shall timely file all federal, state, commonwealth, district and local and other tax returns required to be filed and timely pay all federal, state, commonwealth, district and local and other Taxes, assessments fees and other governmental charges levied or imposed upon Borrower or its properties, income or assets or that are otherwise due and payable by Borrower. Borrower shall not permit or suffer, and shall promptly discharge, any Lien or charge against the Property with respect to Taxes and Other Charges, and shall promptly pay for all utility services provided to the Property. After prior notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding, conducted in good faith and with due diligence, the amount or validity of any Taxes or Other Charges, provided that (i) no Default or Event of Default has occurred and remains uncured; (ii) such proceeding shall be permitted under and be conducted in accordance with all applicable statutes, laws and ordinances; (iii) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost; (iv) Borrower shall promptly upon final determination thereof pay the amount of any such Taxes or Other Charges, together with all costs, interest and penalties which may be payable in connection therewith; (v) such proceeding shall suspend the collection of Taxes or Other Charges from the Property; (vi) Borrower shall deposit with Lender cash or such other security as may be approved by Lender in an amount equal to one hundred twenty-five percent (125%) of the contested amount, to insure the payment of any such Taxes or Other Charges, together with all interest and penalties thereon, (vii) failure to pay such Taxes or Other Charges will not subject Lender to any civil or criminal liability, (viii) such contest shall not affect the ownership, use or occupancy of the Property, and (ix) Borrower shall, upon request by Lender, give Lender prompt notice of the status of such proceedings and/or confirmation of the continuing satisfaction of the conditions set forth in clauses (i) through (viii) of this Section 4.6. Lender may pay over any such cash or other security held by Lender to the claimant entitled thereto at any time when, in the good faith judgment of Lender, the entitlement of such claimant is established or the Property (or any part thereof or interest therein) shall be in imminent danger of being sold, forfeited, terminated cancelled or lost or there shall be any danger of the Lien of the Mortgage being primed by any related Lien.

Section 4.7 **Litigation**. Borrower shall give prompt notice to Lender of any litigation or governmental proceedings pending or threatened against the Property, Borrower, Manager, or Guarantor which, if adversely determined against the Property, Borrower, Manager or Guarantor, as applicable, would be reasonably likely to materially adversely affect the Property or Borrower's, Manager's, or Guarantor's condition (financial or otherwise) or business (including Borrower's ability to perform its Obligations hereunder or under the other Loan Documents).

Section 4.8 **Title to the Property**. Borrower shall warrant and defend (a) its title to the Property and every part thereof, subject only to Permitted Encumbrances and (b) the validity and priority of the Liens of the Mortgage, the Assignment of Leases and this Agreement on the Property, subject only to Permitted Encumbrances, in each case against the claims of all Persons whomsoever. Borrower shall reimburse Lender for any losses, costs, damages or expenses (including reasonable attorneys' fees and court costs) incurred by Lender if an interest in the Property, other than as permitted hereunder, is claimed by another Person.

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Section 4.9 Financial Reporting.

4.9.1 Generally. Borrower shall keep and maintain or will cause to be kept and maintained proper and accurate books and records, in accordance with the Acceptable Accounting Method, and, to the extent required under Section 9.1 hereof, the requirements of Regulation AB, reflecting the financial affairs of Borrower and all items of income and expense in connection with the operation of the Property. Lender shall have the right from time to time during normal business hours upon reasonable notice (which may be given verbally) to Borrower to examine such books and records at the office of Borrower or other Person maintaining such books and records and to make such copies or extracts thereof as Lender shall desire. After an Event of Default, Borrower shall pay any costs incurred by Lender to examine such books, records and accounts, as Lender shall determine to be necessary or appropriate in the protection of Lender's interest.

4.9.2 Quarterly Reports. Not later than forty-five (45) days following the end of each fiscal quarter (or not later than thirty (30) days following the end of each calendar month prior to a Securitization of the Loan), Borrower shall deliver to Lender:

(i) unaudited financial statements, internally prepared on an accrual basis including a balance sheet and profit and loss statement as of the end of such quarter (or month) and for the corresponding quarter (or month) of the previous year, a statement of revenues and expenses for such quarter (or month) and the year to date, a statement of aging trade payables for the Property setting forth the payee, amount and date incurred of each unpaid trade payable, and a comparison of the year to date results with (i) the results for the same period of the previous year, (ii) the results that had been projected by Borrower for such period and (iii) the Annual Budget for such period and the Fiscal Year. Such statements for each quarter (or month) shall be accompanied by an Officer's Certificate certifying (A) that such statements fairly represent the financial condition and results of operations of Borrower, (B) that as of the date of such Officer's Certificate, no Event of Default exists under this Agreement, the Note or any other Loan Document or, if so, specifying the nature and status of each such Event of Default and the action then being taken by Borrower or proposed to be taken to remedy such Event of Default, (C) that as of the date of each Officer's Certificate, no litigation exists involving Borrower or the Property in which the amount involved is $1,000,000 (in the aggregate) or more or in which all or substantially all of the potential liability is not covered by insurance, or, if so, specifying such litigation and the actions being taking in relation thereto and (D) the amount by which actual operating expenses were greater than or less than the operating expenses anticipated in the applicable Annual Budget. Such financial statements shall contain such other information as shall be reasonably requested by Lender for purposes of calculations to be made by Lender pursuant to the terms hereof;

(ii) a true, correct and complete rent roll for the Property, dated as of the last month of such fiscal quarter (or month), showing the percentage of gross leasable area of the Property, if any, leased as of the last day of the preceding calendar quarter (or month), the current annual rent for the Property, the expiration date of each Lease, whether to Borrower's knowledge any portion of the Property has been sublet, and if it has, the name of the subtenant, and such rent roll shall be accompanied by an Officer's Certificate (A) certifying that such rent roll is true, correct and complete in all material respects as of its date, (B) stating whether Borrower, within the past three (3) months, has issued a notice of default with respect to any Lease which has not been cured and the nature of such default, and (C) stating whether, within the past three (3) months, any Tenant has "gone dark" or Borrower has received a notice from any Tenant of its intention to "go dark"; and

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(iii) an Officer's Certificate certifying (A) the total number of jobs at the Property that may be utilized to satisfy the Minimum Jobs Requirement (as defined in the PILOT Agreement) pursuant to and in accordance with the PILOT Agreement, including the average annual salary of such jobs, and (B) the aggregate amount of capital expenditures at the Property that may be utilized to satisfy the Minimum Investment Requirement (as defined in the PILOT Agreement) pursuant to and in accordance with the PILOT Agreement.

4.9.3 **Annual Reports**. Borrower shall deliver to Lender:

(i) Not later than seventy-five (75) days after the end of each Fiscal Year of Borrower's operations, unaudited financial statements, internally prepared on an accrual basis, covering the Property, including a balance sheet as of the end of such year, a statement of revenues and expenses for such year and the fourth quarter thereof, and stating in comparative form the figures for the previous Fiscal Year and the Annual Budget for such Fiscal Year, as well as the supplemental schedule of net income or loss presenting the net income or loss for the Property and occupancy statistics for the Property, and copies of all federal income tax returns to be filed. Such annual financial statements shall be accompanied by an Officer's Certificate in the form required pursuant to Section 4.9.2(i) above;

(ii) Not later than ninety (90) days after the end of each Fiscal Year of Borrower's operations, financial statements reviewed by an Independent Accountant in accordance with the Acceptable Accounting Method, and, to the extent required under Section 9.1 hereof, the requirements of Regulation AB, covering the Property, including a balance sheet as of the end of such year, a statement of revenues and expenses for such year and the fourth quarter thereof, and stating in comparative form the figures for the previous Fiscal Year, as well as the supplemental schedule of net income or loss presenting the net income or loss for the Property and occupancy statistics for the Property, and copies of all federal income tax returns to be filed. Such annual financial statements shall be accompanied by an Officer's Certificate in the form required pursuant to Section 4.9.2(i) above; and

(iii) Not later than ninety (90) days after the end of each Fiscal Year of Borrower's operations, an annual summary of any and all Capital Expenditures made at the Property during the prior twelve (12) month period.

4.9.4 **Other Reports**.

(a) Borrower shall deliver to Lender, within fifteen (15) Business Days of the receipt thereof by Borrower, a copy of all reports prepared by Manager (if any) pursuant to the Management Agreement (if any), including, without limitation, the Annual Budget and any inspection reports.

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(b) Borrower shall, within fifteen (15) Business Days after request by Lender or, if all or part of the Loan is being or has been included in a Securitization, by the Rating Agencies, furnish or cause to be furnished to Lender and, if applicable, the Rating Agencies, in such manner and in such detail as may be reasonably requested by Lender or the Rating Agencies, such reasonable additional information as may be reasonably requested with respect to the Property.

(c) Borrower shall submit to Lender the financial data and financial statements required, and within the time periods required, under clauses (f) and (g) of Section 9.1, if and when available.

(d) Borrower shall furnish or cause to be furnished to Lender, upon request, any financial data or financial statements prepared by or on behalf of a Tenant under any Lease Sweep Lease, to the extent such financial data or statements were actually delivered to Borrower, including, without limitation, with respect to (A) the total number of jobs at the Property that may be utilized to satisfy the Minimum Jobs Requirement (as defined in the PILOT Agreement) pursuant to and in accordance with the PILOT Agreement, including the average annual salary of such jobs, and (B) the aggregate amount of capital expenditures at the Property that may be utilized to satisfy the Minimum Investment Requirement (as defined in the PILOT Agreement) pursuant to and in accordance with the PILOT Agreement.

(e) Without limitation of the foregoing, Borrower shall furnish or cause to be furnished to Lender, upon request, any financial data or financial statements reasonably requested by Lender with respect to any Borrower Affiliated Lease (including, without limitation, the PUREgraphite Lease), any Borrower Affiliated Tenant (including, without limitation, PUREgraphite Tenant) and/or any Borrower Affiliated Lease Guarantor (including, without limitation, PUREgraphite Guarantor), including, without limitation, with respect to (A) the total number of jobs at the Property that may be utilized to satisfy the Minimum Jobs Requirement (as defined in the PILOT Agreement) pursuant to and in accordance with the PILOT Agreement, including the average annual salary of such jobs, and (B) the aggregate amount of capital expenditures at the Property that may be utilized to satisfy the Minimum Investment Requirement (as defined in the PILOT Agreement) pursuant to and in accordance with the PILOT Agreement.

4.9.5 **Annual Budget**. Borrower shall submit to Lender by June 1 of each year the Annual Budget for the succeeding Fiscal Year. During the continuance of a Trigger Period, Lender shall have the right to approve each Annual Budget (which approval shall not be unreasonably withheld so long as no Event of Default is continuing). Annual Budgets delivered to Lender (other than during the continuance of a Trigger Period) or approved by Lender during the continuance of a Trigger Period) shall hereinafter be referred to as an "***Approved Annual Budget***". During the continuance of a Trigger Period, until such time that any Annual Budget has been approved by Lender, the prior Approved Annual Budget shall apply for all purposes hereunder (with such adjustments as reasonably determined by Lender to reflect actual increases in Taxes, Insurance Premiums and utilities expenses). To the extent Lender has approval rights over an Annual Budget pursuant to this Section 4.9.5, neither Borrower nor Manager shall change or modify the Annual Budget that has been approved by Lender without the prior written consent of Lender. During the continuance of a Trigger Period, Lender may require Borrower, on a quarterly basis, to furnish to Lender for approval (which approval shall not be unreasonably withheld provided no Event of Default exists) an updated Annual Budget.

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4.9.6 **Extraordinary Operating Expenses**: During the continuance of a Trigger Period, in the event that Borrower incurs an extraordinary operating expense not set forth in the Approved Annual Budget (each an "***Extraordinary Operating Expense***"), then Borrower shall promptly deliver to Lender a reasonably detailed explanation of such proposed Extraordinary Operating Expense for Lender's approval. Any Extraordinary Operating Expense approved by Lender is referred to herein as an ("***Approved Extraordinary Operating Expense***"). In no event shall management fees in excess of the Management Fee Cap be paid to Manager as part of the Approved Extraordinary Operating Expense funds distributed to Borrower during a Trigger Period pursuant to Section 6.16.1 unless expressly approved by Lender in advance in its sole discretion. Any Funds distributed to Borrower for the payment of Approved Extraordinary Operating Expenses pursuant to Section 6.16.1 shall be used by Borrower only to pay for such Approved Extraordinary Operating Expenses or reimburse Borrower for such Approved Extraordinary Operating Expenses, as applicable.

4.9.7 **Breach**. If Borrower fails to provide to Lender or its designee any of the financial statements, certificates, reports or information (the "***Required Records***") required by this Section 4.9 within thirty (30) days after the date upon which such Required Record is due, Borrower shall pay to Lender, at Lender's option and in its discretion, an amount equal to $2,500 for each Required Record that is not delivered; provided Lender has given Borrower at least fifteen (15) days' prior notice of such failure. In addition, thirty (30) days after Borrower's failure to deliver any Required Records, Lender shall have the option, upon fifteen (15) days' notice to Borrower to gain access to Borrower's books and records and prepare or have prepared at Borrower's expense, any Required Records not delivered by Borrower.

4.9.8 **Actual Operating Expenses**. Borrower shall furnish or cause to be furnished to Lender, within thirty (30) days after the end of each calendar month, a report (accompanied by an Officer's Certificate stating that such items are true, correct and complete in all material respects) reconciling (a) the actual operating expenses paid in cash or incurred by or on behalf of Borrower with respect to the Property during such calendar month (the "***Actual OpEx***") with (b) the operating expenses set forth in the Approved Annual Budget for such calendar month (the "***Budgeted OpEx***"). If the Budgeted OpEx exceeds the Actual OpEx for any calendar month, the amount of such excess shall be known as the "***OpEx Overpayment Amount***".

Section 4.10 **Access to Property**. Borrower shall permit agents, representatives, consultants and employees of Lender to inspect the Property or any part thereof at reasonable hours upon reasonable advance written notice (which may be given by email), provided that Lender shall use commercially reasonably efforts to conduct such inspection in a manner that will minimize any interference with the operation, use and occupancy of the Property. Lender or its agents, representatives, consultants and employees as part of any inspection may take soil, air, water, building material and other samples from the Property, subject to the rights of Tenants under Leases.

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Section 4.11 Leases.

4.11.1 Generally. Upon request, Borrower shall furnish Lender with executed copies of all Leases then in effect. All renewals of Leases and all proposed leases shall provide for rental rates and terms comparable to existing local market rates and shall be arm's length transactions with bona fide, independent third-party Tenants. Within ten (10) days after the execution of a Lease or any renewals, amendments or modification of a Lease, Borrower shall deliver to Lender a copy thereof, together with Borrower's certification that such Lease (or such renewal, amendment or modification) was entered into in accordance with the terms of this Agreement.

4.11.2 Approvals.

(a) Any Lease and any renewals, amendments or modification of a Lease (provided such Lease or Lease renewal, amendment or modification is not a Major Lease (or a renewal, amendment or modification to a Major Lease)) that meets the following requirements may be entered into by Borrower without Lender's prior consent: (i) provides for economic terms, including rental rates, comparable to existing local market rates for similar properties and is otherwise on commercially reasonable terms, (ii) has an initial term of not less than three (3) years and a total term (together with all extension and renewal options) of not more than ten (10) years, (iii) unless a subordination, non-disturbance and attornment agreement is delivered pursuant to this Section 4.11.2, provides that such Lease is subordinate to the Mortgage and the Assignment of Leases and that the Tenant thereunder will attorn to Lender and any purchaser at a foreclosure sale, (iv) is with Tenants that are creditworthy, (v) is written substantially in accordance with the standard form of Lease which shall have been approved by Lender (subject to any commercially reasonable changes made in the course of negotiations with the applicable Tenant), (vi) is not with an Affiliate of Borrower or any Guarantor, and (vii) does not contain any option to purchase, any right of first refusal to purchase, any right to terminate (except if such termination right is triggered by the destruction or condemnation of substantially all of the Property) or any other terms which would materially adversely affect Lender's rights under the Loan Documents. All other Leases (including Major Leases) and all renewals, amendments and modifications thereof executed after the date hereof shall be subject to Lender's prior approval.

(b) Borrower shall not permit or consent to any assignment or sublease of any Major Lease without Lender's prior written approval. Lender, at Borrower's sole cost and expense, shall execute and deliver its standard form of subordination, non-disturbance and attornment agreement to Tenants under any future Major Lease (other than a Borrower Affiliated Lease) approved by Lender upon request, with such commercially reasonable changes as may be requested by such Tenants and which are reasonably acceptable to Lender.

(c) Borrower shall have the right, without the consent or approval of Lender, to terminate or accept a surrender of any Lease that is not a Major Lease so long as such termination or surrender is (i) by reason of a tenant default and (ii) in a commercially reasonable manner to preserve and protect the Property.

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(d) Notwithstanding anything to the contrary contained in this Section 4.11.2, provided no Event of Default is continuing, whenever Lender's approval or consent is required pursuant to the provisions of this Section 4.11.2, Lender's consent shall be deemed given if:

(i) the first correspondence from Borrower to Lender requesting such approval or consent is in an envelope marked "PRIORITY" and contains a bold-faced, conspicuous (in a font size that is not less than fourteen (14) point) legend at the top of the first page thereof stating that "**FIRST NOTICE: THIS IS A REQUEST FOR CONSENT UNDER THE LOAN BY DBR INVESTMENTS CO. LIMITED TO NOVONIX 1029, LLC. FAILURE TO RESPOND TO THIS REQUEST WITHIN TWENTY (20) BUSINESS DAYS MAY RESULT IN THE REQUEST BEING DEEMED GRANTED", and is accompanied by the information and documents required above, and any other information reasonably requested by Lender in writing prior to the expiration of such twenty (20) Business Day period in order to adequately review the same has been delivered; and**

(ii) if Lender fails to respond or to deny such request for approval in writing within the first ten (10) Business Days of such twenty (20) Business Day period, a second notice requesting approval is delivered to Lender from Borrower in an envelope marked "PRIORITY" containing a bold-faced, conspicuous (in a font size that is not less than fourteen (14) point) legend at the top of the first page thereof stating that "**SECOND AND FINAL NOTICE: THIS IS A REQUEST FOR CONSENT UNDER THE LOAN BY DBR INVESTMENTS CO. LIMITED TO NOVONIX 1029, LLC. IF YOU FAIL TO PROVIDE A SUBSTANTIVE RESPONSE (E.G., APPROVAL, DENIAL OR REQUEST FOR CLARIFICATION OR MORE INFORMATION) TO THIS REQUEST FOR APPROVAL IN WRITING WITHIN TEN (10) BUSINESS DAYS, YOUR APPROVAL SHALL BE DEEMED GIVEN"** and Lender fails to provide a substantive response to such request for approval within such second ten (10) Business Day period.

4.11.3 Covenants. Borrower (i) shall observe and perform the obligations imposed upon the lessor under the Leases in a commercially reasonable manner; (ii) shall enforce the terms, covenants and conditions contained in the Leases upon the part of the Tenants thereunder to be observed or performed in a commercially reasonable manner, provided, however, Borrower shall not terminate or accept a surrender of a Major Lease without Lender's prior approval; (iii) shall not collect any of the Rents more than one (1) month in advance (other than security deposits); (iv) shall not execute any assignment of lessor's interest in the Leases or the Rents (except as contemplated by the Loan Documents); and (v) shall not alter, modify or change any Lease so as to change the amount of or payment date for rent, change the expiration date, grant any option for additional space or term, materially reduce the obligations of the Tenant or increase the obligations of the lessor. Upon request, Borrower shall furnish Lender with executed copies of all Leases. Borrower shall promptly send copies to Lender of all written notices of material default which Borrower shall receive under the Leases.

4.11.4 Security Deposits. All security deposits of Tenants, whether held in cash or any other form, shall be held in compliance with all Legal Requirements, shall not be commingled with any other funds of Borrower. During the continuance of an Event of Default, Borrower shall, upon Lender's request, if permitted by applicable Legal Requirements, cause all such security deposits (and any interest theretofore earned thereon) to be transferred into the Deposit Account (which shall then be held by Deposit Bank in a separate Account), which shall be held by Deposit Bank subject to the terms of the Leases. Any bond or other instrument which Borrower is permitted to hold in lieu of cash security deposits under any applicable Legal Requirements (i) shall be maintained in full force and effect in the full amount of such deposits unless replaced by cash deposits as herein above described, (ii) shall be issued by an institution reasonably satisfactory to Lender, (iii) shall, if permitted pursuant to any Legal Requirements, name Lender as payee or mortgagee thereunder (or at Lender's option, be fully assignable to Lender), and (iv) shall in all respects comply with any applicable Legal Requirements and otherwise be satisfactory to Lender. Borrower shall, upon request, provide Lender with evidence satisfactory to Lender of Borrower's compliance with the foregoing.

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4.11.5 Lease Sweep Lease Covenants. Without limitation of the foregoing Sections 4.11.1 through 4.11.4, Borrower shall notify Lender (i) of receipt of any notice from any Tenant under a Lease Sweep Lease of its intention to discontinue its business at its Lease Sweep Space at the Property (or any material portion thereof) within five (5) Business Days after receipt from the applicable Tenant and (ii) of any default under a Lease Sweep Lease that continues beyond any applicable notice and cure periods, within five (5) Business Days after the expiration of such applicable notice and cure periods.

4.11.6 Borrower Affiliated Lease Covenants.

(a) Without limitation of the foregoing Sections 4.11.1 through 4.11.5, (i) Borrower shall not, without Lender's prior written consent in its sole and absolute discretion, consent to or otherwise permit (x) any amendment, modification, assignment, transfer, release, termination, and/or cancellation of any Borrower Affiliated Lease Guaranty, and/or (y) any Borrower Affiliated Tenant to assign, transfer, pledge, mortgage, hypothecate, terminate, cancel, surrender or sublet its interest under any Borrower Affiliated Lease; (ii) upon the written request of Lender to Borrower during the continuance of (x) a Borrower Affiliated Lease Default Event, or (y) an Event of Default under the Loan Documents, Borrower shall diligently exercise Borrower's rights and remedies under any such Borrower Affiliated Lease to terminate such Borrower Affiliated Lease and evict the Borrower Affiliated Tenant from the Property; (iii) Borrower shall not do, permit, suffer or refrain from doing anything, as a result of which, there would be a default under any of the terms of any Borrower Affiliated Lease; and (iv) Borrower shall deliver to Lender prompt written notice of any default by any party under any Borrower Affiliated Lease and promptly deliver to Lender copies of any notice of default and/or other material notices, communications, plans, specifications and other similar instruments received or delivered by Borrower in connection therewith.

(b) Borrower hereby grants the Lender the right (but, for the avoidance of doubt, Lender shall not have any obligation) to, if Borrower shall be in default under any Borrower Affiliated Lease, cause the default or defaults under such Borrower Affiliated Lease to be remedied and otherwise exercise any and all rights of Borrower under such Borrower Affiliated Lease, as may be reasonably necessary to prevent or cure any such default, and Lender shall have the right to enter all or any portion of the Property at such times and in such manner as Lender deems reasonably necessary, to prevent or to cure any such default.

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(c) The actions or payments of Lender to cure any default by Borrower under any Borrower Affiliated Lease shall not remove or waive, as between Borrower and Lender, the default that occurred under this Agreement by virtue of the default by Borrower under such Borrower Affiliated Lease. All sums expended by Lender to cure any such default shall be paid by Borrower to Lender, within five (5) Business Days after written demand, with interest on such sum at the rate set forth in this Agreement from the date such sum is expended to and including the date the reimbursement payment is made to Lender. All such indebtedness shall be deemed to be secured by the Mortgage.

(d) Borrower shall notify Lender promptly in writing of the occurrence of any default by any Borrower Affiliated Tenant or the occurrence of any event that, with the passage of time or service of notice, or both, would constitute a default by any Borrower Affiliated Tenant under any Borrower Affiliated Lease, and the receipt by Borrower of any notice (written or otherwise) from any Borrower Affiliated Tenant under any Borrower Affiliated Lease noting or claiming the occurrence of any default by Borrower under such Borrower Affiliated Lease or the occurrence of any event that, with the passage of time or service of notice, or both, would constitute a default by Borrower under such Borrower Affiliated Lease.

(e) Within five (5) days after receipt of written demand by Lender, Borrower shall obtain from each Borrower Affiliated Tenant and furnish to Lender the estoppel certificate of such Borrower Affiliated Tenant addressed to Lender, its successors and assigns in form and substance reasonably satisfactory to Lender stating, among other items, the date through which rent has been paid and whether or not there are any defaults thereunder and specifying the nature of such claimed defaults, if any.

(f) Borrower covenants and agrees that each Borrower Affiliated Lease and all of the terms, covenants and provisions thereof, and all estates, options and rights created under each Borrower Affiliated Lease shall at all times be subordinate and subject to the terms and provisions of the Loan Documents and lien of the Mortgage (including, without limitation, all renewals, increases, modifications, spreaders, consolidations, replacements and extensions thereof).

Section 4.12 Repairs; Maintenance and Compliance; Alterations.

4.12.1 Repairs; Maintenance and Compliance. Borrower shall at all times maintain, preserve and protect all franchises and trade names, and Borrower shall cause the Property to be maintained in a good and safe condition and repair and shall not remove, demolish or alter the Improvements or Equipment (except for alterations performed in accordance with Section 4.12.2 below and normal replacement of Equipment with Equipment of equivalent value and functionality). Borrower shall promptly comply with all Legal Requirements (including municipal, state and federal laws) and immediately cure properly any violation of a Legal Requirement. Borrower also hereby covenants and agrees that it shall not commit, permit or suffer to exist any illegal commercial activities or commercial activities relating to controlled substances at the Property (including, without limitation, any growing, distributing and/or dispensing of marijuana for commercial purposes, medical or otherwise for so long as the foregoing is a violation of a Legal Requirement of any applicable Governmental Authority). Borrower shall notify Lender in writing within one (1) Business Day after Borrower first receives notice of any such non-compliance. Borrower shall promptly repair, replace or rebuild any part of the Property that becomes damaged, worn or dilapidated and shall complete and pay for any Improvements at any time in the process of construction or repair.

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4.12.2 Alterations. Borrower may, without Lender's consent, perform alterations to the Improvements and Equipment which (i) do not constitute a Material Alteration, (ii) do not adversely affect Borrower's financial condition or the value or net operating income of the Property and (iii) are in the ordinary course of Borrower's business. Borrower shall not perform any Material Alteration without Lender's prior written consent, which consent shall not, so long as no Event of Default has occurred and is continuing, be unreasonably withheld, conditioned or delayed. Lender may, as a condition to giving its consent to a Material Alteration, require that Borrower deliver to Lender security for payment of the cost of such Material Alteration and as additional security for Borrower's Obligations under the Loan Documents, which security may be any of the following: (i) cash, (ii) a Letter of Credit, (iii) U.S. Obligations, or (iv) other securities acceptable to Lender, provided that Lender shall have received a Rating Agency Confirmation as to the form and issuer of same. Such security shall be in an amount equal to the excess of the total unpaid amounts incurred and to be incurred with respect to such alterations to the Improvements (other than such amounts to be paid or reimbursed by Tenants under the Leases) over the Alteration Threshold, and Lender may apply such security from time to time at the option of Lender to pay for such alterations. Upon substantial completion of any Material Alteration, Borrower shall provide evidence satisfactory to Lender that (i) the Material Alteration was constructed in accordance with applicable Legal Requirements, (ii) all contractors, subcontractors, materialmen and professionals who provided work, materials or services in connection with the Material Alteration have been paid in full and have delivered unconditional releases of liens, and (iii) all material licenses and permits necessary for the use, operation and occupancy of the Material Alteration (other than those which depend on the performance of tenant improvement work) have been issued. If Borrower has provided cash security, as provided above, such cash shall be released by Lender to fund such Material Alterations, and if Borrower has provided non-cash security, as provided above, except to the extent applied by Lender to fund such Material Alterations, Lender shall release and return such security upon Borrower's satisfaction of the requirements of the preceding sentence.

Section 4.13 Approval of Major Contracts. Borrower shall be required to obtain Lender's prior written approval of any and all Major Contracts affecting the Property, which approval shall not, so long as no Event of Default has occurred and is continuing, be unreasonably withheld, conditioned or delayed.

Section 4.14 Property Management.

4.14.1 Management Agreement. Subject to Section 4.14.4 below, and in the event that Borrower enters into a Management Agreement in accordance with the terms hereof, Borrower shall (i) cause Manager to manage the Property in accordance with the Management Agreement, (ii) diligently perform and observe all of the terms, covenants and conditions of the Management Agreement on the part of Borrower to be performed and observed, (iii) promptly notify Lender of any default under the Management Agreement of which it is aware, (iv) promptly deliver to Lender a copy of each financial statement, business plan, capital expenditures plan, report and estimate received by it under the Management Agreement, and (v) promptly enforce the performance and observance of all of the covenants required to be performed and observed by Manager under the Management Agreement. If Borrower shall default in the performance or observance of any material term, covenant or condition of the Management Agreement on the part of Borrower to be performed or observed, then, without limiting Lender's other rights or remedies under this Agreement or the other Loan Documents, and without waiving or releasing Borrower from any of its Obligations hereunder or under the Management Agreement, Lender shall have the right, but shall be under no obligation, to pay any sums and to perform any act as may be appropriate to cause all the material terms, covenants and conditions of the Management Agreement on the part of Borrower to be performed or observed.

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4.14.2 Prohibition Against Termination or Modification. In the event that Borrower enters into a Management Agreement in accordance with the terms hereof, Borrower shall not (i) surrender, terminate, cancel, modify, renew or extend the Management Agreement, (ii) enter into any other agreement relating to the management or operation of the Property with Manager or any other Person, (iii) consent to the assignment by the Manager of its interest under the Management Agreement, or (iv) waive or release any of its rights and remedies under the Management Agreement, in each case without the express consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, with respect to a new property manager such consent may be conditioned upon Borrower delivering a Rating Agency Confirmation from each applicable Rating Agency as to such new property manager and management agreement. Notwithstanding the foregoing, however, provided no Event of Default is continuing, the approval of Lender and the Rating Agencies shall not be required with respect to the appointment of an Unaffiliated Qualified Manager. If at any time Lender consents to the appointment of a new property manager or a Qualified Manager is appointed, such new property manager (including a Qualified Manager) and Borrower shall, as a condition of Lender's consent, execute (a) a management agreement in form and substance reasonably acceptable to Lender, (b) a subordination of management agreement in a form reasonably acceptable to Lender and (c) deliver an updated non-consolidation opinion in form and substance, and from counsel, reasonably satisfactory to Lender and satisfactory to the Rating Agencies, if such Qualified Manager is an Affiliate of Borrower, Guarantor or Key Principal (the foregoing conditions set forth in clauses (a)-(c), the "**New Manager Conditions**").

4.14.3 Replacement of Manager. Lender shall have the right to require Borrower to replace the Manager with (x) an Unaffiliated Qualified Manager selected by Borrower or (y) another property manager chosen by Borrower and approved by Lender (provided, that such approval may be conditioned upon Borrower delivering a Rating Agency Confirmation from each applicable Rating Agency as to such new property manager and management agreement) upon the occurrence of any one or more of the following events: (i) at any time following the occurrence of an Event of Default, (ii) if Manager shall be in default under the Management Agreement beyond any applicable notice and cure period, (iii) if Manager shall become insolvent or a debtor in any bankruptcy or insolvency proceeding, or (iv) if at any time the Manager has engaged in gross negligence, fraud, willful misconduct or misappropriation of funds.

4.14.4 Self-Management. Notwithstanding the terms of Section 4.14.1 above, provided (i) no Event of Default has occurred and is continuing, (ii) the entire Property is demised pursuant to the PUREgraphite Lease or a replacement Lease entered into in accordance with terms hereof which is in full force and effect, (iii) the applicable Lease is a "triple net" lease and the Borrower does not have any ongoing management or operations obligations with respect to the applicable Lease or the Property, (iv) the Tenant pursuant to said Lease is not in material default thereunder (beyond any applicable notice and cure period), and (v) Borrower has not engaged any manager nor entered into any management agreement with respect to the Property, Borrower shall not be required to enter into a Management Agreement or engage a Manager to manage the Property, and the terms hereof regarding management of the Property shall be deemed satisfied (the foregoing, collectively, the "***Management Waiver Conditions***"). At any time that the Management Waiver Conditions are no longer satisfied, Lender shall have the right to require Borrower to (1) engage (x) an Unaffiliated Qualified Manager selected by Borrower or (y) another property manager chosen by Borrower and approved by Lender (provided, that such approval may be conditioned upon Borrower delivering a Rating Agency Confirmation from each applicable Rating Agency as to such new property manager and management agreement) to manage the Property in accordance with the terms hereof and (2) satisfy the New Manager Conditions in connection therewith.

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Section 4.15 Performance by Borrower; Compliance with Agreements.

(a) Borrower shall in a timely manner observe, perform and fulfill each and every covenant, term and provision of each Loan Document executed and delivered by, or applicable to, Borrower, and shall not enter into or otherwise suffer or permit any amendment, waiver, supplement, termination or other modification of any Loan Document executed and delivered by, or applicable to, Borrower without the prior consent of Lender.

(b) Borrower shall at all times comply in all material respects with all Operations Agreements. Borrower agrees that without the prior written consent of Lender, Borrower will not amend, modify or terminate any of the Operations Agreements.

(c) Borrower shall not cause and/or permit any bonds to be issued in connection with any of the PILOT Documents.

(d) Notwithstanding the foregoing, or anything to the contrary set forth herein, Borrower may execute and deliver an easement agreement in substantially the form annexed hereto as Exhibit C (the "**Additional Access Easement Agreement**"), provided that (i) no Event of Default has occurred and is continuing, (ii) Borrower promptly causes such Additional Access Easement Agreement to be recorded with the office of the county clerk of Hamilton County, Tennessee, and (iii) Borrower promptly delivers to Lender a copy of the fully executed and recorded Additional Access Easement Agreement. Without limitation of the foregoing, if at any time any Affiliate of Borrower and/or Guarantor acquires the Burdened Parcel (as defined in the form of Additional Access Easement Agreement annexed hereto as Exhibit C), Borrower shall, within ten (10) Business Days of such acquisition, cause an Additional Access Easement Agreement to be executed, delivered and recorded in accordance with immediately preceding sentence. For the avoidance of doubt, upon the execution and delivery of the Additional Access Easement Agreement, the same shall be deemed to be included within the definition of "Property," "Operations Agreement," and "REA" for all purposes under the Loan Documents.

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Section 4.16 Licenses; Intellectual Property; Website.

4.16.1 Licenses. Borrower shall keep and maintain all Licenses necessary for the operation of the Property as an industrial facility. Borrower shall not transfer any Licenses required for the operation of the Property.

4.16.2 Intellectual Property. Borrower shall keep and maintain all Intellectual Property relating to the Borrower's ownership or leasehold interest in the Property, and all such Intellectual Property shall be held by and (if applicable) registered in the name of Borrower. Borrower shall not Transfer or let lapse any of its Intellectual Property without Lender's prior consent.

4.16.3 Website. Any website with respect to the Property (other than Tenant websites) shall be maintained by or on behalf of Borrower and any such website shall be registered in the name of Borrower. Borrower shall not Transfer any such website without Lender's prior consent.

Section 4.17 Further Assurances. Borrower shall, at Borrower's sole cost and expense:

(a) furnish to Lender all instruments, documents, boundary surveys, footing or foundation surveys, certificates, plans and specifications, appraisals, title and other insurance reports and agreements, and each and every other document, certificate, agreement and instrument required to be furnished by Borrower pursuant to the terms of the Loan Documents or which are reasonably requested by Lender in connection therewith;

(b) cure any defects in the execution and delivery of the Loan Documents and execute and deliver, or cause to be executed and delivered, to Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to correct any omissions in the Loan Documents, to evidence, preserve and/or protect the collateral at any time securing or intended to secure the Obligations, as Lender may reasonably require; and

(c) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of this Agreement and the other Loan Documents, as Lender may reasonably require from time to time, including without limitation, upon Lender's request, Borrower shall, and shall cause Guarantor to, reasonably cooperate with providing information reasonably requested by Lender to update compliance with Lender's "Know Your Customer" and other similar policies and procedures during the term of the Loan.

Section 4.18 Estoppel Statement.

(a) After request by Lender, Borrower shall within five (5) Business Days furnish Lender with a statement, duly acknowledged and certified, stating (i) the Outstanding Principal Balance of the Note, (ii) the Interest Rate, (iii) the date installments of interest and/or principal were last paid, (iv) any offsets or defenses to the payment and performance of the Obligations, if any, and (v) that this Agreement and the other Loan Documents have not been modified or if modified, giving particulars of such modification.

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(b) Borrower shall deliver to Lender, upon request, an estoppel certificate from each Tenant under any Lease (provided that Borrower shall only be required to use commercially reasonable efforts to obtain an estoppel certificate from any Tenant not required to provide an estoppel certificate under its Lease) in form and substance reasonably satisfactory to Lender; provided, that Borrower shall not be required to deliver such certificates more frequently than three (3) times in any calendar year.

(c) Borrower shall deliver to Lender, upon request, estoppel certificates from each party under any Operations Agreement, in form and substance reasonably satisfactory to Lender; provided, that Borrower shall not be required to deliver such certificates more than three (3) times during the Term and not more frequently than once per calendar year (or twice during any calendar year in which a Securitization occurs).

(d) Borrower shall deliver to Lender, upon request, estoppel certificates from the ground lessor, in form and substance reasonably satisfactory to Lender; provided, that Borrower shall not be required to deliver such certificates more than three (3) times during the Term and not more frequently than once per calendar year (or twice during any calendar year in which a Securitization occurs).

Section 4.19 **Notice of Default**. Borrower shall promptly advise Lender of the occurrence of any Default or Event of Default of which Borrower has knowledge.

Section 4.20 **Cooperate in Legal Proceedings**. Borrower shall cooperate fully with Lender with respect to any proceedings before any court, board or other Governmental Authority which may in any way affect the rights of Lender hereunder or any rights obtained by Lender under any of the other Loan Documents and, in connection therewith, permit Lender, at its election, to participate in any such proceedings.

Section 4.21 **Indebtedness**. Borrower shall not directly or indirectly create, incur or assume any Indebtedness other than (i) the Debt and (ii) unsecured trade payables incurred in the ordinary course of business relating to the ownership and operation of the Property, which in the case of such unsecured trade payables (A) are not evidenced by a note, (B) do not exceed, at any time, a maximum aggregate amount of two percent (2%) of the Outstanding Principal Balance and (C) are paid within thirty (30) days of the date incurred (collectively, "***Permitted Indebtedness***").

Section 4.22 **Business and Operations**. Borrower will continue to engage in the businesses presently conducted by it as and to the extent the same are necessary for the ownership, maintenance, management and operation of the Property, and Borrower shall not change the use of the Property from the use of the Property existing as of the Closing Date. Borrower will qualify to do business and will remain in good standing under the laws of each jurisdiction as and to the extent the same are required for the ownership, maintenance, management and operation of the Property.

Section 4.23 **Dissolution**. Borrower shall not (i) engage in any dissolution, liquidation, consolidation, division (whether pursuant to Section 18-217 of the Act or otherwise), or merger with or into any one or more other business entities, (ii) engage in any business activity not related to the ownership and operation of the Property, (iii) transfer, lease or sell, in one transaction or any combination of transactions, all or substantially all of the property or assets of Borrower except to the extent expressly permitted by the Loan Documents, or (iv) cause, permit or suffer Borrower to (A) dissolve, divide (whether pursuant to Section 18-217 of the Act or otherwise), wind up or liquidate or take any action, or omit to take any action, as a result of which Borrower would be dissolved, divided (whether pursuant to Section 18-217 of the Act or otherwise), wound up or liquidated in whole or in part, or (B) amend, modify, waive or terminate the certificate of formation or operating agreement of Borrower, in each case without obtaining the prior consent of Lender.

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Section 4.24 **Debt Cancellation**. Borrower shall not cancel or otherwise forgive or release any claim or debt (other than the termination of Leases in accordance herewith) owed to Borrower by any Person, except for adequate consideration and in the ordinary course of Borrower's business.

Section 4.25 **Affiliate Transactions**. Borrower shall not enter into, or be a party to, any transaction with an Affiliate of Borrower or any of the partners, members or shareholders, as applicable, of Borrower except in the ordinary course of business and on terms which are no less favorable to Borrower or such Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party.

Section 4.26 **No Joint Assessment**. Borrower shall not suffer, permit or initiate the joint assessment of the Property (i) with any other real property constituting a tax lot separate from the Property, and (ii) with any portion of the Property which may be deemed to constitute personal property, or any other procedure whereby the Lien of any taxes which may be levied against such personal property shall be assessed or levied or charged to the Property.

Section 4.27 **Principal Place of Business**. Borrower shall not change its principal place of business from the address set forth on the first page of this Agreement without first giving Lender thirty (30) days prior written notice.

Section 4.28 **Change of Name, Identity or Structure**. Borrower shall not change Borrower's name, identity (including its trade name or names) or convert from a Delaware single member limited liability company structure without notifying Lender of such change in writing at least thirty (30) days prior to the effective date of such change and without first obtaining the prior written consent of Lender; provided, however, that Borrower shall at all times be a Delaware single member limited liability company. Borrower shall deliver to Lender, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change required by Lender to establish or maintain the validity, perfection and priority of the security interest granted herein. At the request of Lender, Borrower shall execute a certificate in form satisfactory to Lender listing the trade names under which Borrower intends to operate the Property, and representing and warranting that Borrower does business under no other trade name with respect to the Property.

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Section 4.29 Costs and Expenses.

(a) Except as otherwise expressed herein or in any of the other Loan Documents, Borrower shall pay or, if Borrower fails to pay, reimburse Lender (and for purposes of this Section 4.29, Lender shall also include the initial lender, its Affiliates, successors and assigns, and their respective officers and directors) upon receipt of notice from Lender, for all out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in connection with (i) Borrower's ongoing performance of and compliance with Borrower's agreements and covenants contained in this Agreement and the other Loan Documents on its part to be performed or complied with after the Closing Date, including confirming compliance with environmental and insurance requirements (except to the extent expressly set forth in Section 10.21(a) hereof); (ii) Lender's ongoing performance of and compliance with all agreements and covenants contained in this Agreement and the other Loan Documents on its part to be performed or complied with after the Closing Date (except to the extent expressly set forth in Section 10.21(a) hereof); (iii) the negotiation, preparation, execution and delivery of any consents, amendments, waivers or other modifications to this Agreement and the other Loan Documents and any other documents or matters requested by Borrower; (iv) filing and recording of any Loan Documents; (v) title insurance, surveys, inspections and appraisals; (vi) the creation, perfection or protection of Lender's Liens in the Property and the Accounts (including fees and expenses for title and lien searches, intangibles taxes, personal property taxes, mortgage recording taxes, due diligence expenses, travel expenses, accounting firm fees, costs of appraisals, environmental reports and Lender's Consultant, surveys and engineering reports); (vii) enforcing or preserving any rights in response to third party claims or the prosecuting or defending of any action or proceeding or other litigation, in each case against, under or affecting Borrower, the Loan Documents, the Property, or any other security given for the Loan; (viii) fees charged by Servicer (except to the extent expressly set forth in Section 10.21) or, if a Securitization has occurred, the Rating Agencies in connection with the Loan or any modification thereof; and (ix) enforcing any Obligations of or collecting any payments due from Borrower under this Agreement, the other Loan Documents or with respect to the Property or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or of any insolvency or bankruptcy proceedings (including fees and expenses for title and lien searches, intangible taxes, personal property taxes, mortgage recording taxes, due diligence expenses, travel expenses, accounting firm fees, costs of appraisals, environmental reports and Lender's Consultant, surveys and engineering reports); provided, however, that Borrower shall not be liable for the payment of any such costs and expenses to the extent the same arise by reason of the active gross negligence, illegal acts, fraud or willful misconduct of Lender. All amounts payable to Lender or Servicer in exercising its rights under this Section 4.29 (including, but not limited to, disbursements, advances and reasonable legal expenses incurred in connection therewith), shall be payable upon demand, secured by this Agreement and interest thereon shall accrue at the Default Rate from the date incurred if such amounts are not paid within five (5) Business Days after demand for payment therefor is made by Lender.

(b) In addition, in connection with any Rating Agency Confirmation, Review Waiver or other Rating Agency consent, approval or review requested or required hereunder (other than the initial review of the Loan by the Rating Agencies in connection with a Securitization), Borrower shall pay all of the costs and expenses of Lender, Servicer and each Rating Agency in connection therewith, and, if applicable, shall pay any fees imposed by any Rating Agency in connection therewith.

(c) Any costs and expenses due and payable by Borrower hereunder which are not paid by Borrower within ten (10) days after demand may be paid from any amounts in the Deposit Account, with notice thereof to Borrower. The obligations and liabilities of Borrower under this Section 4.29 shall (i) become part of the Obligations, (ii) be secured by the Loan Documents and (iii) survive the Term and the exercise by Lender of any of its rights or remedies under the Loan Documents, including the acquisition of the Property by foreclosure or a conveyance in lieu of foreclosure.

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Section 4.30 **Indemnity**. Borrower shall indemnify, defend and hold harmless Lender (and for purposes of this Section 4.30, Lender shall also include the initial lender, its Affiliates, successors and assigns, and their respective officers and directors) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for Lender in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not Lender shall be designated a party thereto), that may be imposed on, incurred by, or asserted against Lender in any manner relating to or arising out of (i) any breach by Borrower of its Obligations under, or any material misrepresentation by Borrower contained in, this Agreement or the other Loan Documents; (ii) the use or intended use of the proceeds of the Loan; (iii) any information provided by or on behalf of Borrower, or contained in any documentation approved by Borrower; (iv) ownership of the Mortgage, the Property or any interest therein, or receipt of any Rents or other Gross Revenue (including due to any Increased Costs, Special Taxes or Other Taxes); (v) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (vi) any use, nonuse or condition in, on or about the Property or on adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (vii) performance of any labor or services or the furnishing of any materials or other property in respect of the Property; (viii) any failure of the Property to comply with any Legal Requirement; (ix) any claim by brokers, finders or similar persons claiming to be entitled to a commission in connection with any Lease or other transaction involving the Property or any part thereof, or any liability asserted against Lender with respect thereto; and (x) the claims of any lessee of any portion of the Property or any Person acting through or under any lessee or otherwise arising under or as a consequence of any Lease (collectively, the "***Indemnified Liabilities***"); provided, however, that Borrower shall not have any obligation to Lender hereunder to the extent that such Indemnified Liabilities arise from the active gross negligence, illegal acts, fraud or willful misconduct of Lender. To the extent that the undertaking to indemnify, defend and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Borrower shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Lender.

Section 4.31 **ERISA**.

(a) Borrower shall not engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender or any assignee of any of its rights under the Note, this Agreement or the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***") or Section 4975 of the Code.

(b) Borrower shall not maintain, sponsor, contribute to or become obligated to contribute to, or suffer or permit any ERISA Affiliate of Borrower to, maintain, sponsor, contribute to or become obligated to contribute to, any Plan or any Welfare Plan or permit the assets of Borrower to become "plan assets," within the meaning of 29 C.F.R. 2510.3-101, as modified in application by Section 3(42) of ERISA.

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(c) Borrower shall deliver to Lender such certifications or other evidence from time to time throughout the Term, as requested by Lender in its sole discretion, that (A) Borrower and Guarantor are not and do not maintain an "employee benefit plan" as defined in Section 3(32) of ERISA, which is subject to Title I of ERISA, or a "governmental plan" within the meaning of Section 3(32) of ERISA; (B) Borrower and Guarantor are not subject to state statutes regulating investments and fiduciary obligations with respect to governmental plans; and (C) the assets of Borrower and Guarantor do not constitute "plan assets" within the meaning of 29 C.F.R §2510.3-101 as modified in application by Section 3(42) of ERISA of any "benefit plan investor" as defined in Section 3(42) of ERISA.

Section 4.32 Patriot Act Compliance.

(a) Borrower will comply with the Patriot Act, Anti-Money Laundering Laws and all applicable requirements of Governmental Authorities having jurisdiction over Borrower and/or the Property, including those relating to money laundering and terrorism. Lender shall have the right to audit Borrower's compliance with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over Borrower and/or the Property, including those relating to money laundering and terrorism.

(b) Neither Borrower nor any owner of a direct or indirect interest in Borrower (i) is or will be a Person listed on any Government Lists, (ii) is or will be a Person listed in the annex to, or otherwise subject to the prohibitions of, Presidential Executive Order No. 13224 (Sept. 23, 2001) ("***Executive Order 13224***"), or subject to any other similar prohibitions contained in the rules and regulations of OFAC or in any enabling legislation or other executive orders in respect thereof, (iii) is a Person that has been previously or will be indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense, or (iv) is a Person that is currently or will be under investigation by any Governmental Authority for any Patriot Act Offence or other alleged criminal activity (any Person described in any of the foregoing clauses (i)-(iv), a "***Proscribed Person***"). For purposes hereof, the term "***Patriot Act Offense***" means any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under any Anti-Money Laundering Laws. "***Patriot Act Offense***" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense. For purposes hereof, the term "***Government Lists***" means (1) the Specially Designated Nationals and Blocked Persons Lists and any replacement or other lists maintained by the Office of Foreign Assets Control or by any successor thereto ("***OFAC***"), (2) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC, and (3) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other Governmental Authority or pursuant to any Executive Order of the President of the United States of America.

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(c) At all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, (i) none of the funds or other assets of Borrower, Key Principal or Guarantor shall constitute property of, or shall be beneficially owned, directly or indirectly, by any Person subject to trade restrictions under United States law, including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., as amended, The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended), the Patriot Act, Executive Order 13224, and any legislation, executive orders and rules and regulations, enabling or promulgated under any of the foregoing (each, an "***Embargoed Person***"), with the result that the investment in Borrower, Key Principal or Guarantor, as applicable (whether directly or indirectly), would be prohibited by law, or the Loan made by Lender would be in violation of law, (ii) no Embargoed Person or other Prohibited Person shall have any interest of any nature whatsoever in Borrower, Key Principal or Guarantor, as applicable, with the result that the investment in Borrower, Key Principal or Guarantor, as applicable (whether directly or indirectly), would be prohibited by law or the Loan would be in violation of law, and (iii) none of the funds of Borrower, Key Principal or Guarantor, as applicable, shall be derived from any unlawful activity with the result that the investment in Borrower, Key Principal or Guarantor, as applicable (whether directly or indirectly), would be prohibited by law or the Loan would be in violation of law.

Section 4.33 **Anti-Corruption Obligations**. Borrower represents and warrants that, in connection with this Agreement, Borrower and, to Borrower's knowledge, each Person that has an economic interest in Borrower, has complied with and will continue to comply with all applicable anti-bribery and corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act of 1977 and the U.K. Bribery Act 2010 (the "***Anti-Corruption Obligation***"). Borrower shall, at all times throughout the Term, maintain and enforce appropriate policies, procedures and controls to ensure compliance with the Anti-Corruption Obligation.

Section 4.34 **Letters of Credit**.

(a) All Letters of Credit delivered to Lender in connection with this Loan shall be held as collateral and additional security for the payment of the Debt. Upon the occurrence and during the continuance of an Event of Default, Lender shall have the right, at its option, to draw on all or any portion of any such Letter of Credit and to apply such amount drawn to payment of the Debt in such order, proportion or priority as Lender may determine. Any such application to the Debt after an Event of Default shall be subject to Prepayment Fee and/or Liquidated Damages Amount, if any, applicable thereto. On the Maturity Date, if the Debt has not otherwise been paid in full, any or all of such Letters of Credit may be applied to reduce the Debt. Neither Borrower nor the applicant/obligor under any Letter of Credit shall be entitled to draw upon any Letter of Credit.

(b) Notwithstanding anything to the contrary contained herein, Borrower shall only be permitted to deliver a Letter of Credit hereunder to the extent the amount of such Letter of Credit, together with the amounts of all other outstanding Letters of Credit, does not exceed ten percent (10%) of the outstanding principal balance of the Loan. In no event shall Borrower be an account party to, or have or incur any reimbursement obligations in connection with, any Letter of Credit. With respect to any Letter of Credit delivered to Lender in connection with the Loan, such Letter of Credit must be accompanied by an instrument reasonably acceptable to Lender whereby the applicant/obligor under such Letter of Credit shall have waived all rights of subrogation against Borrower thereunder until the Debt has been paid in full. Borrower's delivery of any Letter of Credit after the date hereof shall, at Lender's option, be conditioned upon Lender's receipt of an deliver an updated non-consolidation opinion in form and substance, and from counsel, reasonably satisfactory to Lender and satisfactory to the Rating Agencies.

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(c) Lender shall have the right to transfer and/or assign any Letter of Credit delivered to Lender in connection with the Loan to any assignee or holder of all or any portion of the Loan or any successor to all or any portion of any interest in the Loan or any portion thereof, or to any Servicer, or to any designee of any of the foregoing. Borrower shall assist and cooperate with Lender in any such transfer or assignment of any Letter of Credit and shall reimburse Lender for any and all out-of-pocket costs and expenses (including reasonable attorneys' fees and expenses) incurred by Lender in connection with any such transfer or assignment of a Letter of Credit and Borrower shall pay for any transfer fees and/or other charges which are payable to the bank issuing any such Letter of Credit as a result of any such transfer or assignment of a Letter of Credit.

(d) In addition to any other right Lender may have to draw upon any Letter of Credit pursuant to the terms and conditions of this Agreement, Lender shall have the additional rights to draw in full any Letter of Credit: (i) with respect to any evergreen Letter of Credit, if Lender has received a notice from the issuing bank that the applicable Letter of Credit will not be renewed and a substitute Letter of Credit is not provided at least thirty (30) days prior to the date on which the outstanding Letter of Credit is scheduled to expire; (ii) with respect to any Letter of Credit with a stated expiration date, if Lender has not received a notice from the issuing bank that it has renewed the Letter of Credit at least thirty (30) days prior to the date on which such Letter of Credit is scheduled to expire and a substitute Letter of Credit is not provided at least twenty (20) days prior to the date on which the outstanding Letter of Credit is scheduled to expire; (iii) upon receipt of notice from the issuing bank that the Letter of Credit will be terminated (except if the termination of such Letter of Credit is permitted pursuant to the terms and conditions of this Agreement or a substitute Letter of Credit is provided at least ten (10) Business Days prior to such termination); or (iv) if the bank issuing the Letter of Credit shall cease to be an Approved LC Bank and Borrower shall not have replaced such Letter of Credit with a Letter of Credit issued by an Approved LC Bank within ten (10) Business Days after notice thereof. Notwithstanding anything to the contrary contained in the above, Lender is not obligated to draw any Letter of Credit upon the happening of an event specified in clauses (i), (ii), (iii) or (iv) above and shall not be liable for any losses sustained by Borrower or applicant/obligor due to the insolvency of the bank issuing the Letter of Credit if Lender has not drawn the applicable Letter of Credit.

(e) Borrower shall Borrower shall pay to Lender all of Lender's out-of-pocket costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with any Letter of Credit, including without limitation any review, issuance, transfer or draw of any Letter of Credit.

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Section 4.35 **Ground Lease**.

(a) Borrower shall:

(i) pay all rents, additional rents and other sums required to be paid by Borrower (if any), as tenant under and pursuant to the provisions of the Ground Lease, as and when such rent or other charge is payable,

(ii) diligently perform and observe all of the terms, covenants and conditions of the Ground Lease on the part of Borrower, as tenant thereunder, to be performed and observed, at least three (3) days prior to the expiration of any applicable grace period therein provided; and

(iii) promptly notify Lender of the giving of any written notice by the lessor under the Ground Lease to Borrower of any default by Borrower in the performance or observance of any of the terms, covenants or conditions of the Ground Lease on the part of Borrower, as tenant thereunder, to be performed or observed, and deliver to Lender a true copy of each such notice.

(b) Borrower shall not, without the prior consent of Lender, (i) surrender the leasehold estate created by the Ground Lease, (ii) terminate or cancel the Ground Lease, (iii) modify, change, supplement, alter or amend in any material respect the Ground Lease, or (iv) waive any rights under the Ground Lease, either orally or in writing. Borrower hereby assigns to Lender, as further security for the payment and performance of the Obligations and for the performance and observance of the terms, covenants and conditions of the Mortgage, this Agreement and the other Loan Documents, all of the rights, privileges and prerogatives of Borrower, as tenant under the Ground Lease, to surrender the leasehold estate created by the Ground Lease or to terminate, cancel, modify, change, supplement, alter, amend or waive any rights under the Ground Lease in any material respect, and any such surrender of the leasehold estate created by the Ground Lease or termination, cancellation, modification, change, supplement, alteration, amendment of or waiver of rights under the Ground Lease in any material respect without the prior consent of Lender shall be void and of no force and effect.

(c) If Borrower shall default in the performance or observance of any material term, covenant or condition of the Ground Lease on the part of Borrower, as tenant thereunder, to be performed or observed, then, without limiting the generality of the other provisions of the Mortgage, this Agreement and the other Loan Documents, and without waiving or releasing Borrower from any of its Obligations hereunder, Lender shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the material terms, covenants and conditions of the Ground Lease on the part of Borrower, as tenant thereunder, to be performed or observed or to be promptly performed or observed on behalf of Borrower, to the end that the rights of Borrower in, to and under the Ground Lease shall be kept unimpaired as a result thereof and free from default, even though the existence of such event of default or the nature thereof be questioned or denied by Borrower or by any party on behalf of Borrower. If Lender shall make any payment or perform any act or take action in accordance with the preceding sentence, Lender will notify Borrower of the making of any such payment, the performance of any such act or the taking of any such action. In any such event, subject to the rights of Tenants, subtenants and other occupants under the Leases or of parties to any REA, Lender and any Person designated as Lender's agent by Lender shall have, and are hereby granted, the right to enter upon the Property at any reasonable time, on reasonable notice (which may be given verbally) and from time to time for the purpose of taking any such action. Lender may pay and expend such sums of money as Lender reasonably deems necessary for any such purpose and upon so doing shall be subrogated to any and all rights of the landlord under the Ground Lease. Borrower hereby agrees to pay to Lender within five (5) days after demand, all such sums so paid and expended by Lender, together with interest thereon from the day of such payment at the Default Rate. All sums so paid and expended by Lender and the interest thereon shall be secured by the legal operation and effect of the Mortgage.

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(d) If the lessor under the Ground Lease shall deliver to Lender a copy of any notice of default sent by said lessor to Borrower, as tenant under the Ground Lease, such notice shall constitute full protection to Lender for any action taken or omitted to be taken by Lender, in good faith, in reliance thereon. Borrower shall exercise each individual option, if any, to extend or renew the term of the Ground Lease upon demand by Lender made at any time within one (1) year prior to the last day upon which any such option may be exercised, and if Borrower shall fail to do so, Borrower hereby expressly authorizes and appoints Lender its attorney-in-fact to exercise any such option in the name of and upon behalf of Borrower, which power of attorney shall be irrevocable and shall be deemed to be coupled with an interest. Borrower will not subordinate or consent to the subordination of the Ground Lease to any mortgage, security deed, lease or other interest on or in the landlord's interest in all or any part of the Property.

(e) Unless Lender shall otherwise expressly consent in writing, there shall be no merger of the Ground Lease, nor of the leasehold estate or other estate created thereby, with the fee estate in the land demised thereunder by reason of the fact that the Ground Lease, or the leasehold estate or other estate created thereby, may be held directly or indirectly by or for the account of any person or entity who or which also holds the fee estate in the land demised thereunder.

(f) Borrower acknowledges that pursuant to Section 365 of the Bankruptcy Code, it is possible that a trustee in bankruptcy of ground lessor, or ground lessor as a debtor-in-possession, could reject the Ground Lease, in which case, Borrower, as tenant, would have the election described in Section 365(h) of the Bankruptcy Code (which election, as the same may be amended from time to time, and together with any comparable right under any other state or federal law relating to bankruptcy, reorganization or other relief for debtors, whether now or hereafter in effect, is herein called the "***Election***") to treat the Ground Lease as terminated by such rejection or, in the alternative, to remain in possession for the balance of the term of the Ground Lease and any renewal or extension thereof that is enforceable by the tenant under applicable non-bankruptcy law. Borrower shall not permit the termination of the Ground Lease by exercise of the Election or otherwise without the prior written consent of Lender, which consent may be withheld, conditioned or delayed for any reason in Lender's sole and absolute discretion. Borrower acknowledges that since the Ground Lease is a primary part of the security for the Obligations, it is not anticipated that Lender would consent to termination of the Ground Lease. In order to secure the covenant made in this paragraph and as security for the Obligations, Borrower assigns the Election and all rights related thereto to Lender. Borrower acknowledges and agrees that the foregoing assignment of the Election and related rights is one of the rights which Lender may use at any time in order to protect and preserve the other rights and interests of Lender under this Agreement and the other Loan Documents, since exercise of the Election in favor of terminating the Ground Lease would constitute waste hereunder. Borrower agrees that exercise of the Election in favor of preserving the right to possession under the Ground Lease shall not be deemed to constitute a taking or sale of the Property by Lender and shall not entitle Borrower to any credit against the Obligations. Borrower acknowledges and agrees that in the event the Election is exercised in favor of Borrower remaining in possession, Borrower's resulting rights under the Ground Lease, as adjusted by the effect of Section 365 of the Bankruptcy Code, shall then be part of the Property and shall be subject to the Liens created by this Agreement, the Mortgage and the other Loan Documents.

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(g) If there shall be filed by or against Borrower a petition under the Bankruptcy Code, and Borrower, as the tenant under the Ground Lease, shall determine to reject the Ground Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender not less than ten (10) days' prior notice of the date on which Borrower shall apply to the bankruptcy court for authority to reject the Ground Lease. Lender shall have the right, but not the obligation, to serve upon Borrower within such ten (10) day period a notice stating that (i) Lender demands that Borrower assume and assign the Ground Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (ii) Lender agrees to cure or provide adequate assurance of prompt cure of all defaults and provide adequate assurance of future performance under the Ground Lease; provided, that such defaults are susceptible to cure. If Lender serves upon Borrower the notice described in the preceding sentence, Borrower shall not seek to reject the Ground Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given, subject to the performance by Lender of the agreement provided for in clause (ii) of the preceding sentence. Effective upon the entry of an order for relief in respect of Borrower under the Bankruptcy Code, Borrower hereby assigns and transfers to Lender a non-exclusive right to apply to the bankruptcy court under Section 365(d)(4) of the Bankruptcy Code for an order extending the period during which the Ground Lease may be rejected or assumed.

Section 4.36 Scheduled Capital Expenditures Work. Borrower shall complete all of the Scheduled Capital Expenditures Work in accordance with the plans and specifications attached hereto as Schedule XI and all applicable Legal Requirements, on or prior to the date that is one hundred eighty (180) days following the Closing Date (the "***Scheduled Capital Expenditures Work Completion Outside Date***"), provided that such 180-day period shall be automatically extended for successive 30-day periods so long as (a) no Event of Default has occurred and is continuing and (b) Borrower diligently pursuing completion of the Scheduled Capital Expenditures Work in good faith, provided further, however, that, notwithstanding the foregoing, the Scheduled Capital Expenditures Work Completion Outside Date shall not be extended beyond the date that is eighteen (18) months following the Closing Date.

Section 4.37 Required Repairs.

(a) Borrower shall perform the repairs and other work at the Property as set forth on **Schedule II** (such repairs and other work hereinafter referred to as "***Required Repairs***") and shall complete each of the Required Repairs on or before the respective deadline for each repair as set forth on **Schedule II**, which may be extended at Lender's option if diligently pursued.

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(b) Without limitation of the foregoing, Borrower shall cause an additional 136 parking spaces to be striped at the Property (such that the Property has 167 total parking spaces) in compliance with all applicable Legal Requirements within 180 days of the Closing Date (which such deadline may be extended at Lender's option if diligently pursued).

Section 4.38 **Alternative Access with Respect to Affected Underground Utilities.** If the Affected Underground Utilities are curtailed and/or are no longer accessible and/or otherwise available, then Borrower (a) shall promptly notify Lender of the same and (b) shall diligently and promptly implement (or shall cause to be diligently and promptly implemented) alternative access to the relevant public utilities necessary or convenient to the full use and enjoyment of the Property for the Borrower's and/or any Tenant's intended uses via one or more public rights-of-way abutting the Property, or pass through private property and be subject to a valid irrevocable easement to which the Property has uninhibited access rights, in each case, in compliance with all applicable Legal Requirements and all of the applicable terms and conditions hereof.

ARTICLE 5

INSURANCE, CASUALTY AND CONDEMNATION

Section 5.1 **Insurance.**

5.1.1 **Insurance Policies**.

(a) Borrower, at its sole cost and expense, shall obtain and maintain during the entire Term, or cause to be maintained, insurance policies for Borrower and the Property providing at least the following coverages:

(i) Property insurance against loss or damage by fire, any type of wind (including named storms), lightning, and such other perils as are included in a standard "special form" or "all-risk" policy, and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy, with no exclusion for damage or destruction caused by acts of terrorism (or, subject to Section 5.1.1(i) below, standalone coverage with respect thereto) riot and civil commotion, vandalism, malicious mischief, burglary and theft (A) in an amount equal to one hundred percent (100%) of the "***Full Replacement Cost***" of the Property, which for purposes of this Agreement shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation; (B) have deductibles no greater than $500,000, with the exception of windstorm or earthquake, which may have deductibles not to exceed five percent (5%) of the total insurable value of the Property per occurrence; (C) to be written on a no coinsurance form or containing an agreed amount endorsement with respect to the Improvements and personal property at the Property waiving all co-insurance provisions; and (D) containing "***Ordinance or Law Coverage***" coverage if any of the Improvements or the use of the Property shall at any time constitute legal non-conforming structures or uses, and compensating for loss to the undamaged portion of the building, the cost of demolition and the increased costs of construction, each in amounts as required by Lender. In addition, Borrower shall obtain: (y) if any portion of the Improvements or Personal Property is currently or at any time in the future located in a federally designated special flood hazard area ("***SFHA***"), flood hazard insurance for all such Improvements and/or Personal Property located in the SFHA in an amount equal to the (1) the maximum amount of building and, if applicable, contents insurance available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended (the "Flood Insurance Acts") plus (2) such additional coverage as Lender shall require, subject to a deductible not to exceed an amount equal to the maximum available through the Flood Insurance Acts; and (z) earthquake insurance in amounts and in form and substance satisfactory to Lender (*provided* that Lender shall not require earthquake insurance unless the Property is located in an area with a high degree of seismic activity and a Probable Maximum Loss ("***PML***") or Scenario Expected Loss ("***SEL***") of greater than 20%), provided that the insurance pursuant to clauses (y) and (z) hereof shall be on terms consistent with the comprehensive all risk insurance policy required under this subsection (i);

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(ii) commercial general liability insurance, including coverages against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Property, such insurance (A) to be on the so-called "occurrence" form and containing minimum limits per occurrence of One Million and No/100 Dollars ($1,000,000.00), with a combined limit per policy year, excluding umbrella coverage, of not less than Two Million and No/100 Dollars ($2,000,000.00); (B) to continue at not less than the aforesaid limit until required to be changed by Lender by reason of changed economic conditions making such protection inadequate; and (C) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an "if any" basis; (3) independent contractors; and (4) contractual liability for all insured contracts to the extent the same is available;

(iii) rental loss and/or business income interruption insurance (A) with loss payable to Lender; (B) covering all risks required to be covered by the insurance provided for in subsection (i) above, subsection (vi) below and Section 5.1.1(h) below; (C) covering a period of restoration of eighteen (18) months; and (D) in an amount no less than Three Million and No/100 Dollars ($3,000,000.00), provided, however, the amount of such loss of rents or business income insurance shall be increased each year at renewal during the Term, as and when the estimated or actual Rents or business income exposure increases, equal to a period of eighteen (18) months. The amount of such business income insurance shall be determined prior to the date hereof and at least once each year thereafter based on Borrower's reasonable estimate of the actual Rents or Gross Revenue from the Property (less non-continuing expenses) for the succeeding eighteen (18) month period. All proceeds payable to Lender pursuant to this subsection shall be held by Lender and shall be applied to the Obligations secured by the Loan Documents from time to time due and payable hereunder and under the Note; provided, however, that nothing herein contained shall be deemed to relieve Borrower of its Obligations to pay the Debt on the respective dates of payment provided for in the Note and the other Loan Documents except to the extent such amounts are actually paid out of the proceeds of such business income insurance;

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(iv) at all times during which structural construction, repairs or alterations are being made with respect to the Improvements, and only if the property or liability coverage forms do not otherwise apply, (A) commercial general liability and umbrella liability insurance covering claims related to the construction, repairs or alterations being made which are not covered by or under the terms or provisions of the commercial general liability and umbrella liability insurance policy required as set forth in Section 5.1.1(a); and (B) the insurance provided for in subsection (i) above written in a so-called builder's risk completed value form (1) on a non-reporting basis, (2) against all risks insured against pursuant to subsection (i) above, (3) including permission to occupy the Property, and (4) with an agreed amount endorsement waiving co-insurance provisions;

(v) workers' compensation, subject to the statutory limits of the state in which the Property is located, and employer's liability insurance with limits which are required from time to time by Lender in respect of any work or operations on or about the Property, or in connection with the Property or its operation (if applicable);

(vi) comprehensive boiler and machinery/equipment breakdown insurance, if applicable, in amounts as shall be reasonably required by Lender on terms consistent with the commercial property insurance policy required under subsection (i) above;

(vii) umbrella liability insurance in addition to primary coverage in an amount not less than $10,000,000 per occurrence on terms consistent with the commercial general liability insurance policy required under subsection (ii) above and subsection (viii) below;

(viii) motor vehicle liability coverage for all owned and non-owned vehicles, including rented and leased vehicles containing minimum limits per occurrence, including umbrella coverage, with limits which are required from time to time by Lender (if applicable);

(ix) pollution legal liability insurance against claims for pollution and remediation legal liability resulting from existing conditions and new pollution events related to the Property in form and substance acceptable to Lender;

(x) insurance against employee dishonesty with respect to any employees of Borrower in an amount not less than one (1) month of Gross Revenue from the Property and with a deductible not greater than Twenty Five Thousand and No/100 Dollars ($25,000.00); and

(xi) upon sixty (60) days' notice, such other reasonable insurance and in such reasonable amounts as Lender from time to time may reasonably request against such other insurable hazards which at the time are commonly insured against for properties similar to the Property located in or around the region in which the Property is located.

(b) All insurance provided for in Section 5.1.1(a) shall be obtained under valid and enforceable policies (collectively, the "***Policies***" or in the singular, the "***Policy***") and shall be subject to the approval of Lender as to form and substance, including insurance companies, amounts, deductibles, loss payees and insureds. Not less than ten (10) days prior to the expiration dates of the Policies theretofore furnished to Lender, certificates of insurance evidencing the Policies (and, upon the written request of Lender, copies of such Policies) accompanied by evidence satisfactory to Lender of payment of the premiums then due thereunder (the "***Insurance Premiums***"), shall be delivered by Borrower to Lender.

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(c) Any blanket insurance Policy shall be subject to Lender approval and shall otherwise provide the same protection as would a separate Policy insuring only the Property in compliance with the provisions of Section 5.1.1(a) (any such blanket policy, an "***Acceptable Blanket Policy***"). To the extent that the Policies are maintained pursuant to an Acceptable Blanket Policy that covers more than one location within a one thousand foot radius of the Property (the "***Radius***"), the limits of such Acceptable Blanket Policy must be sufficient to maintain coverage as set forth in Section 5.1.1(a) for the Property and any and all other locations combined within the Radius that are covered by such blanket policy calculated on a total insured value basis. Borrower shall notify Lender of any changes to the Acceptable Blanket Policy, including changes to the limits and the insured values covered under the Acceptable Blanket Policy, which such changes shall be subject Lender's approval.

(d) All Policies of insurance provided for or contemplated by Section 5.1.1(a) shall name Borrower as a named insured and, with respect to Policies of liability insurance, except for the Policies referenced in Section 5.1.1(a)(v) and (viii), shall name Lender and its successors and/or assigns as additional insured, as its interests may appear, and in the case of Policies of property insurance, including but not limited to special form/all-risk, boiler and machinery, terrorism, windstorm, flood, rental loss and/or business interruption and earthquake insurance, shall contain a standard non-contributing mortgagee clause in favor of Lender providing that the loss thereunder shall be payable to Lender unless below the threshold for Borrower to handle such claim without Lender intervention as provided in Section 5.2 below. Additionally, if Borrower obtains property insurance coverage in addition to or in excess of that required by Section 5.1.1(a)(i), then such insurance policies shall also contain a standard non-contributing mortgagee clause in favor of Lender providing that the loss thereunder shall be payable to Lender.

(e) All Policies of insurance provided for in Section 5.1.1(a) shall:

(i) with respect to the Policies of property insurance, contain clauses or endorsements to the effect that, (1) no act or negligence of Borrower, or anyone acting for Borrower, or of any Tenant or other occupant, or failure to comply with the provisions of any Policy, which might otherwise result in a forfeiture of the insurance or any part thereof, or foreclosure or similar action, shall in any way affect the validity or enforceability of the insurance insofar as Lender is concerned, (2) the Policies shall not be cancelled without at least 30 days' written notice to Lender, except ten (10) days' notice for non-payment of premium and (3) the issuer(s) of the Policies shall give written notice to Lender if the issuers elect not to renew the Policies prior to its expiration;

(ii) with respect to all Policies of liability insurance, if obtainable by Borrower using commercially reasonable efforts, contain clauses or endorsements to the effect that, (1) the Policy shall not be canceled without at least thirty (30) days' written notice to Lender and any other party named therein as an additional insured (other than in the case of non-payment in which case only ten days prior notice, or the shortest time allowed by applicable Legal Requirement (whichever is longer), will be required) and shall not be materially changed (other than to increase the coverage provided thereby) without such a thirty (30) day notice and (2) the issuers thereof shall give notice to Lender if the issuers elect not to renew such Policies prior to its expiration. If the issuers cannot or will not provide notice, the Borrower shall be obligated to provide such notice; and

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(iii) not contain any clause or provision that would make Lender liable for any Insurance Premiums thereon or subject to any assessments thereunder.

(f) If at any time Lender is not in receipt of written evidence that all insurance required hereunder is in full force and effect, Lender shall have the right, without notice to Borrower, to take such action as Lender deems necessary to protect its interest in the Property, including the obtaining of such insurance coverage as Lender in its sole discretion deems appropriate and all premiums incurred by Lender in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Borrower to Lender upon demand and until paid shall be secured by the Mortgage and shall bear interest at the Default Rate.

(g) In the event of foreclosure of the Mortgage or other transfer of title to the Property in extinguishment in whole or in part of the Obligations, all right, title and interest of Borrower in and to the Policies that are not blanket Policies then in force concerning the Property and all proceeds payable thereunder shall thereupon vest in the purchaser at such foreclosure or Lender or other transferee in the event of such other transfer of title.

(h) The property insurance, commercial general liability, umbrella liability insurance and rental loss and/or business interruption insurance required under Sections 5.1.1(a)(i), (ii), (iii) and (vii) above shall cover perils of terrorism and acts of terrorism (or at least not specifically exclude same) and Borrower shall maintain property insurance, commercial general liability, umbrella liability insurance and rental loss and/or business interruption insurance for loss resulting from perils and acts of terrorism on terms (including amounts and deductibles) consistent with those required under Sections 5.1.1(a)(i), (ii), (iii) and (vii) above (or at least not specifically excluding same) at all times during the term of the Loan. For so long as TRIPRA is in effect and continues to cover both foreign and domestic acts, Lender shall accept terrorism insurance with coverage against acts which are "certified" within the meaning of TRIPRA.

(i) Notwithstanding anything in subsection (a)(i) or (h) above to the contrary, Borrower shall be required to obtain and maintain coverage in its property insurance Policy (or by a separate Policy) against loss or damage by terrorist acts in an amount equal to one hundred percent (100%) of the "Full Replacement Cost" of the Property plus the rental loss and/or business interruption coverage under subsection (a)(iii) above; provided that such coverage is available. In the event that such coverage with respect to terrorist acts is not included as part of the "all risk" property policy required by subsection (a)(i) above, Borrower shall, nevertheless be required to obtain coverage for terrorism (as standalone coverage) in an amount equal to one hundred percent (100%) of the "Full Replacement Cost" of the Property plus the rental loss and/or business interruption coverage under subsection (a)(iii) above; provided that such coverage is available. Borrower shall obtain the coverage required under this clause (i) from a carrier which otherwise satisfies the rating criteria specified in Section 5.1.2 below (a "***Qualified Carrier***") or in the event that such coverage is not available from a Qualified Carrier, Borrower shall obtain such coverage from the highest rated insurance company providing such coverage.

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(j) Without limitation of the foregoing, on or prior to August 18, 2021, Borrower shall deliver to Lender evidence of excess flood coverage satisfactory to Lender with a limit no less than $2,000,000 and on terms consistent with the comprehensive all-risk policy required pursuant to Section 5.1.1(a)(i) above, except subject to a deductible not to exceed an amount equal to the maximum available through the Flood Insurance Acts (the "***Required Excess Flood Coverage Policy***"), which such Required Excess Flood Coverage Policy shall, for the avoidance of doubt, be deemed to be a Policy for all purposes hereunder.

5.1.2 **Insurance Company**. All Policies required pursuant to Section 5.1.1: (i) shall be issued by companies authorized or licensed to do business in the state where the Property is located, with a financial strength and claims paying ability rating of "A-" or better by S&P and "A:X" or better by in the current Best's Insurance Reports; provided, however for multi-layered policies, all carriers must have an "A:X" or better rating in the current Best's Insurance Reports, and (A) if four (4) or fewer insurance companies issue the Policies, then at least 75% of the insurance coverage represented by the Policies must be provided by insurance companies with a rating of "A-" or better by S&P and "A2" or better by Moody's, to the extent Moody's rates the insurance companies, with no carrier below "BBB" with S&P and "Baa2" by Moody's, to the extent Moody's rates the insurance companies, or (B) if five (5) or more insurance companies issue the Policies, then at least sixty percent (60%) of the insurance coverage represented by the Policies must be provided by insurance companies with a rating of "A-" or better by S&P and "A2" or better by Moody's, to the extent Moody's rates the insurance companies, with no carrier below "BBB" with S&P and "Baa2" by Moody's, to the extent Moody's rates the insurance companies; (ii) shall, with respect to all property insurance policies and rental loss and/or business interruption insurance policies, contain a Standard Mortgagee Clause/Lender's Loss Payable Endorsement, or their equivalents, naming Lender as the person to whom all payments made by such insurance company shall be paid; (iii) shall contain a waiver of subrogation against Lender; (iv) shall contain such provisions as Lender deems reasonably necessary or desirable to protect its interest including endorsements providing (A) that neither Borrower, Lender nor any other party shall be a co-insurer under said Policies and (B) in addition to complying with any other requirements expressly set forth in Section 5.1 for a deductible per loss of an amount not more than that which is customarily maintained by prudent owners of properties with a standard of operation and maintenance comparable to and in the general vicinity of the Property, but in no event in excess of an amount reasonably acceptable to Lender; and (v) shall be satisfactory in form and substance to Lender and shall be approved by Lender as to amounts, form, risk coverage, deductibles, loss payees and insureds. In addition to the insurance coverages described in Section 5.1.1 above, Borrower shall obtain such other insurance as may from time to time be reasonably required by Lender in order to protect its interests. Complete copies of the Policies shall be delivered to Lender at the address below (or to such other address or Person as Lender shall designate from time to time by notice to Borrower) on the date hereof with respect to the current Policies and within thirty (30) days after the effective date thereof with respect to all renewal Policies:

DBR INVESTMENTS CO. LIMITED
60 Wall Street, 10th Floor
New York, New York 10005
Attn: Joanne Marcino

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Borrower shall pay the Insurance Premiums annually in advance as the same become due and payable and shall furnish to Lender evidence of the renewal of each of the Policies with receipts for the payment of the Insurance Premiums or other evidence of such payment reasonably satisfactory to Lender (provided, however, that Borrower shall not be required to pay such Insurance Premiums nor furnish such evidence of payment to Lender in the event that the amounts required to pay such Insurance Premiums have been deposited into the Insurance Account pursuant to Section 6.4 hereof). Within thirty (30) days after request by Lender, Borrower shall obtain such increases in the amounts of coverage required hereunder as may be reasonably requested by Lender, taking into consideration changes in the value of money over time, changes in liability laws, changes in prudent customs and practices.

Section 5.2 **Casualty**. If the Property shall be damaged or destroyed, in whole or in part, by fire or other casualty (a "***Casualty***"), Borrower shall give prompt notice thereof to Lender. Following the occurrence of a Casualty, Borrower, regardless of whether insurance proceeds are available, shall promptly proceed to restore, repair, replace or rebuild the Property in accordance with Legal Requirements to be of at least equal value and of substantially the same character as prior to such damage or destruction. Lender may, but shall not be obligated to make proof of loss if not made promptly by Borrower. In addition, Lender may participate in any settlement discussions with any insurance companies (and shall approve any final settlement) (i) if an Event of Default is continuing or (ii) with respect to any Casualty in which the Net Proceeds or the costs of completing the Restoration are equal to or greater than One Million and No/100 Dollars ($1,000,000) and Borrower shall deliver to Lender all instruments required by Lender to permit such participation. Any Insurance Proceeds in connection with any Casualty (whether or not Lender elects to settle and adjust the claim or Borrower settles such claim) shall be due and payable solely to Lender and held by Lender in accordance with the terms of this Agreement. In the event Borrower or any party other than Lender is a payee on any check representing Insurance Proceeds with respect to any Casualty, Borrower shall immediately endorse, and cause all such third parties to endorse, such check payable to the order of Lender. Borrower hereby irrevocably appoints Lender as its attorney-in-fact, coupled with an interest, to endorse any such check payable to the order of Lender. Borrower hereby releases Lender from any and all liability with respect to the settlement and adjustment by Lender of any claims in respect of any Casualty.

Section 5.3 **Condemnation**. Borrower shall promptly give Lender notice of the actual or threatened commencement of any proceeding for the Condemnation of all or any portion of the Property and shall deliver to Lender copies of any and all papers served in connection with such proceedings. Lender may participate in any such proceedings, and Borrower shall from time to time deliver to Lender all instruments requested by it to permit such participation. Borrower shall, at its expense, diligently prosecute any such proceedings, and shall consult with Lender, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings. Notwithstanding any taking by any public or quasi-public authority through Condemnation or otherwise (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such taking), Borrower shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and in this Agreement and the Debt shall not be reduced until any Award shall have been actually received and applied by Lender, after the deduction of expenses of collection, to the reduction or discharge of the Debt. Lender shall not be limited to the interest paid on the Award by the condemning authority but shall be entitled to receive out of the Award interest at the rate or rates provided herein or in the Note. If the Property or any portion thereof is taken by a condemning authority, Borrower shall promptly commence and diligently prosecute the Restoration of the Property and otherwise comply with the provisions of Section 5.4, whether or not an Award is available to pay the costs of such Restoration. If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the Award, Lender shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive the Award, or a portion thereof sufficient to pay the Debt.

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Section 5.4 **Restoration.** The following provisions shall apply in connection with the Restoration:

(a) If the Net Proceeds shall be less than the Restoration Threshold and the costs of completing the Restoration shall be less than the Restoration Threshold, and provided no Event of Default is continuing, the Net Proceeds will be disbursed by Lender to Borrower upon receipt, provided that all of the conditions set forth in Section 5.4(b)(i) are met and Borrower delivers to Lender a written undertaking to expeditiously commence and to satisfactorily complete with due diligence the Restoration in accordance with the terms of this Agreement.

(b) If the Net Proceeds are equal to or greater than the Restoration Threshold or the costs of completing the Restoration are equal to or greater than the Restoration Threshold, the Net Proceeds will be held by Lender and Lender shall make the Net Proceeds available for the Restoration in accordance with the provisions of this Section 5.4. The term "***Net Proceeds***" shall mean: (i) the net amount of all insurance proceeds received by Lender pursuant to Section 5.1.1(a)(i), (iii), (iv) and (vi) and Section 5.1.1(h) as a result of such damage or destruction, after deduction of its reasonable costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting same ("***Insurance Proceeds***"), or (ii) the net amount of the Award, after deduction of its reasonable costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting same ("***Condemnation Proceeds***"), whichever the case may be.

(i) The Net Proceeds shall be made available to Borrower for Restoration upon the determination of Lender, in its sole but reasonable discretion, that the following conditions are met:

(A) no Event of Default shall have occurred and be continuing;

(B) (1) in the event the Net Proceeds are Insurance Proceeds, less than twenty-five percent (25%) of the total floor area of the Improvements on the Property has been damaged, destroyed or rendered unusable as a result of such Casualty or (2) in the event the Net Proceeds are Condemnation Proceeds, less than ten percent (10%) of the land constituting the Property is taken, and such land is located along the perimeter or periphery of the Property, and no portion of the Improvements is located on such land;

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(C) Leases demising in the aggregate a percentage amount equal to or greater than seventy-five percent (75%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such Casualty or Condemnation, whichever the case may be, shall remain in full force and effect during and after the completion of the Restoration without abatement of rent beyond the time required for Restoration, notwithstanding the occurrence of any such Casualty or Condemnation, whichever the case may be, and will make all necessary repairs and restorations thereto that are not being made by Borrower as part of the Restoration at their sole cost and expense;

(D) Borrower shall commence the Restoration as soon as reasonably practicable (but in no event later than sixty (60) days after such Casualty or Condemnation, whichever the case may be, occurs) and shall diligently pursue the same to satisfactory completion;

(E) Lender shall be reasonably satisfied that any operating deficits, including all scheduled payments of principal and interest under the Note, which will be incurred with respect to the Property as a result of the occurrence of any such Casualty or Condemnation, whichever the case may be, will be covered out of (1) the Net Proceeds, (2) the insurance coverage referred to in Section 5.1.1(a)(iii), if applicable, or (3) by other funds of Borrower;

(F) Lender shall be reasonably satisfied that (x) the Restoration will be completed on or before the earliest to occur of (1) the date six (6) months prior to the Stated Maturity Date, (2) the earliest date required for such completion under the terms of any Lease, (3) such time as may be required under applicable Legal Requirements or (4) six (6) months prior to the expiration of the insurance coverage referred to in Section 5.1.1(a)(iii) and (y) the Property can be restored to the Property's pre-existing condition and utility as existed immediately prior to such Casualty or Condemnation, and to an economic unit not less valuable and not less useful than the same was immediately prior to the Casualty or Condemnation;

(G) intentionally omitted;

(H) the Property and the use thereof after the Restoration will be in compliance with and permitted under all applicable Legal Requirements;

(I) the Restoration shall be done and completed by Borrower in an expeditious and diligent fashion and in compliance with all applicable Legal Requirements and all requirements under the Ground Lease;

(J) such Casualty or Condemnation, as applicable, does not result in any material loss of access to the Property or the related Improvements;

(K) the Restoration DSCR, after giving effect to the Restoration, shall be equal to or greater than 1.27:1.00;

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(L) the Loan to Value Ratio after giving effect to the Restoration, shall be equal to or less than seventy-one and sixty-six hundredths percent (71.66%);

(M) Borrower shall deliver, or cause to be delivered, to Lender a signed detailed budget approved in writing by Borrower's architect or engineer stating the entire cost of completing the Restoration, which budget shall be reasonably acceptable to Lender; and

(N) the Net Proceeds together with any cash or cash equivalent deposited by Borrower with Lender are sufficient in Lender's reasonable discretion to cover the cost of the Restoration.

(ii) The Net Proceeds shall be held by Lender in the Casualty and Condemnation Account and, until disbursed in accordance with the provisions of this Section 5.4(b), shall constitute additional security for the Debt and other obligations under the Loan Documents. The Net Proceeds shall be disbursed by Lender to, or as directed by, Borrower from time to time during the course of the Restoration, upon receipt of evidence satisfactory to Lender that (A) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested disbursement) in connection with the Restoration have been paid for in full, and (B) there exist no notices of pendency, stop orders, mechanic's or materialman's liens or notices of intention to file same, or any other liens or encumbrances of any nature whatsoever on the Property which have not either been fully bonded to the satisfaction of Lender and discharged of record or in the alternative fully insured to the satisfaction of Lender by the title company issuing the Title Insurance Policy.

(iii) All plans and specifications required in connection with the Restoration shall be subject to the prior approval of Lender and an independent consulting engineer selected by Lender (the "***Casualty Consultant***"), which approval shall not, so long as no Event of Default has occurred and is continuing, be unreasonably withheld, conditioned or delayed. Lender shall have the use of the plans and specifications and all permits, licenses and approvals required or obtained in connection with the Restoration. The identity of the contractors, subcontractors and materialmen engaged in the Restoration, as well as the contracts under which they have been engaged, shall be subject to the approval of Lender and the Casualty Consultant, which approval shall not, so long as no Event of Default has occurred and is continuing, be unreasonably withheld, conditioned or delayed. All costs and expenses incurred by Lender in connection with recovering, holding and advancing the Net Proceeds for the Restoration including, without limitation, reasonable attorneys' fees and disbursements and the Casualty Consultant's fees and disbursements, shall be paid by Borrower.

(iv) In no event shall Lender be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the Restoration, as certified by the Casualty Consultant, less the Casualty Retainage. The term "***Casualty Retainage***" shall mean, as to each contractor, subcontractor or materialman engaged in the Restoration, an amount equal to ten percent (10%) of the costs actually incurred for work in place as part of the Restoration, as certified by the Casualty Consultant, until the Restoration has been completed. The Casualty Retainage shall in no event, and notwithstanding anything to the contrary set forth above in this Section 5.4(b), be less than the amount actually held back by Borrower from contractors, subcontractors and materialmen engaged in the Restoration. The Casualty Retainage shall not be released until the Casualty Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Section 5.4(b) and that all approvals necessary for the re-occupancy and use of the Property have been obtained from all appropriate Governmental Authorities, and Lender receives evidence reasonably satisfactory to Lender that the costs of the Restoration have been paid in full or will be paid in full out of the Casualty Retainage; provided, however, that Lender will release the portion of the Casualty Retainage being held with respect to any contractor, subcontractor or materialman engaged in the Restoration as of the date upon which (i) the Casualty Consultant certifies to Lender that such contractor, subcontractor or materialman has satisfactorily completed all work and has supplied all materials in accordance with the provisions of such contractor's, subcontractor's or materialman's contract, (ii) the contractor, subcontractor or materialman delivers the lien waivers and evidence of payment in full of all sums due to the contractor, subcontractor or materialman as may be reasonably requested by Lender or by the title company issuing the Title Insurance Policy, and (iii) Lender receives an endorsement to the Title Insurance Policy insuring the continued priority of the Lien of the Mortgage and evidence of payment of any premium payable for such endorsement. If required by Lender, the release of any such portion of the Casualty Retainage shall be approved by the surety company, if any, which has issued a payment or performance bond with respect to the contractor, subcontractor or materialman.

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(v) Lender shall not be obligated to make disbursements of the Net Proceeds more frequently than once every calendar month.

(vi) If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the reasonable opinion of Lender in consultation with the Casualty Consultant, be sufficient to pay in full the balance of the costs which are estimated by the Casualty Consultant to be incurred in connection with the completion of the Restoration, Borrower shall deposit the deficiency (the "***Net Proceeds Deficiency***") with Lender (for deposit into the Casualty and Condemnation Account) before any further disbursement of the Net Proceeds shall be made. The Net Proceeds Deficiency deposited with Lender shall be deposited by Lender into the Casualty and Condemnation Account and shall be disbursed for costs actually incurred in connection with the Restoration on the same conditions applicable to the disbursement of the Net Proceeds, and until so disbursed pursuant to this Section 5.4(b) shall constitute additional security for the Obligations.

(vii) The excess, if any, of the Net Proceeds and the remaining balance, if any, of the Net Proceeds Deficiency deposited with Lender after the Casualty Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Section 5.4(b), and the receipt by Lender of evidence reasonably satisfactory to Lender that all costs incurred in connection with the Restoration have been paid in full, shall be remitted by Lender to Borrower, provided no Event of Default shall have occurred and shall be continuing.

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(c) Notwithstanding anything to the contrary set forth in this Agreement, including the provisions of this Section 5.4, if the Loan is included in a REMIC Trust and, immediately following a release of any portion of the Lien of the Mortgage following a Casualty or Condemnation (but taking into account any proposed Restoration of the remaining Property), the ratio of the unpaid principal balance of the Loan to the value of the remaining Property is greater than 125% (such value to be determined, in Lender's sole but reasonable discretion, by any commercially reasonable method permitted to a REMIC Trust; and which shall exclude the value of personal property or going concern value, if any), the Outstanding Principal Balance must be paid down by an amount equal to the least of the following amounts: (i) the net Award (after payment of Lender's costs and expenses and any other fees and expenses that have been approved by Lender) or the net Insurance Proceeds (after payment of Lender's costs and expenses and any other fees and expenses that have been approved by Lender), as the case may be, or (ii) a "qualified amount" as that term is defined in the IRS Revenue Procedure 2010-30, as the same may be amended, replaced, supplemented or modified from time to time, unless Lender receives an opinion of counsel that if such amount is not paid, the applicable Securitization will not fail to maintain its status as a REMIC Trust as a result of the related release of such portion of the Lien of the Mortgage. If and to the extent the preceding sentence applies, only such amount of the net Award or net Insurance Proceeds (as applicable), if any, in excess of the amount required to pay down the principal balance of the Loan may be released for purposes of Restoration or released to Borrower as otherwise expressly provided in this Section 5.4.

(d) All Net Proceeds not required (i) to be made available for the Restoration or (ii) to be returned to Borrower as excess Net Proceeds pursuant to Section 5.4(b)(vii) may be retained and applied by Lender in accordance with Section 2.4.4 hereof toward the payment of the Debt whether or not then due and payable in such order, priority and proportions as Lender in its sole discretion shall deem proper, or, at the discretion of Lender, the same may be paid, either in whole or in part, to Borrower for such purposes as Lender shall approve, in its discretion. Additionally, throughout the term of the Loan if an Event of Default is continuing, then Borrower shall pay to Lender, with respect to any payment of the Debt pursuant to this Section 5.4(d), an additional amount equal to the Prepayment Fee and any applicable Liquidated Damages Amount; provided, however, that if an Event of Default is not continuing, then no Prepayment Fee or Liquidated Damages Amount shall be payable.

(e) In the event of foreclosure of the Mortgage, or other transfer of title to the Property in extinguishment in whole or in part of the Debt all right, title and interest of Borrower in and to the Policies that are not blanket Policies then in force concerning the Property and all proceeds payable thereunder shall thereupon vest in the purchaser at such foreclosure or Lender or other transferee in the event of such other transfer of title.

(f) Notwithstanding anything to the contrary contained herein, if in connection with a Casualty, any insurance company makes a payment under a property or business or rental interruption insurance Policy that Borrower proposes be treated as business or rental interruption insurance, then, notwithstanding any designation (or lack of designation) by the insurance company as to the purpose of such payment, as between Lender and Borrower, such payment shall not be treated as business or rental interruption Insurance Proceeds unless Borrower (i) has demonstrated to Lender's reasonable satisfaction that the remaining Net Proceeds that have been received from the property insurance companies are sufficient to pay one hundred percent (100%) of the cost of the Restoration or, if such Net Proceeds are to be applied to repay the Obligations in accordance with the terms hereof, that such remaining Net Proceeds will be sufficient to satisfy the Obligations in full or (ii) to the extent Borrower is not able to satisfy Lender as to the sufficiency of the remaining funds to pay one hundred percent (100%) of the Restoration or to satisfy the Obligations in full prior to distribution of Net Proceeds, Borrower has agreed to fund any shortfall from funds other than from Gross Revenues or borrowed funds and has provided such security as Lender may require to insure payment of such shortfalls. To the extent any payment under a property or business or rental interruption insurance Policy is treated as business or rental interruption insurance in accordance with this paragraph (f), such funds shall be deposited into the Casualty and Condemnation Account. Provided that no Event of Default then exists, Insurance Proceeds treated as business or rental interruption insurance in accordance with this paragraph (f) (to the extent of available funds) shall be (A) first applied by Lender, on each Monthly Payment Date, to pay for Debt Service, deposits of Reserve Funds and payments of the Monthly Operating Expense Budgeted Amount and any Approved Extraordinary Operating Expenses, in each case as approved by Lender, actually incurred (collectively, the "***Approved Monthly BI Expenses***") for such month pursuant to, and in the priorities set forth in, Section 6.16.1, and (B) second, to the extent that Lender determines that the amount of business or rental interruption Insurance Proceeds then remaining in the Casualty and Condemnation Account is sufficient to pay for all future Approved Monthly BI Expenses through the completion of the subject Restoration and stabilization of the Property, disbursed by Lender to Borrower in an aggregate amount under this clause (B) not to exceed the Approved Monthly BI Expenses actually incurred and paid for by Borrower from the date of the applicable Casualty to the date of the first installment of business or rental interruption insurance Proceeds advanced by the applicable insurance company (as evidenced by supporting documentation by Borrower that is acceptable to Lender). Provided no Trigger Period then exists (other than a Trigger Period continuing solely because of the continuance of a Mezzanine Trigger Period), all remaining business or rental interruption insurance proceeds upon the final completion of the subject Restoration and the recommencement of full unabated rent being paid by the Tenants under the Leases required to remain in place pursuant to Section 5.4(b)(i)(C) shall be disbursed (x) if no Mezzanine Trigger Period has occurred and is continuing, to Borrower or (y) if a Mezzanine Trigger Period has occurred and is continuing, on the next occurring Monthly Payment Date in accordance Section 6.16.1.

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ARTICLE 6

CASH MANAGEMENT AND RESERVE FUNDS

Section 6.1 **Cash Management Arrangements.** Borrower shall cause all Gross Revenue to be transmitted directly by non-residential Tenants of the Property into a trust account (the "***Clearing Account***") established and maintained by Borrower at an Eligible Institution selected by Borrower and reasonably approved by Lender (the "***Clearing Bank***") as more fully described in the Clearing Account Agreement. To the extent the Borrower receives notice from the Clearing Bank that it intends to terminate the Clearing Account Agreement, Borrower shall establish a new Clearing Account at an Eligible Institution reasonably approved by Lender and enter into a new clearing account agreement that is substantially similar to then-existing Clearing Account Agreement (with such changes as are reasonably approved by Lender) on or prior to the date such then-existing Clearing Account Agreement is terminated. Without in any way limiting the foregoing, if Borrower or Manager receive any Gross Revenue from the Property, then (i) such amounts shall be deemed to be collateral for the Obligations and shall be held in trust for the benefit, and as the property, of Lender, (ii) such amounts shall not be commingled with any other funds or property of Borrower or Manager, and (iii) Borrower or Manager shall deposit such amounts in the Clearing Account within one (1) Business Day of receipt. Funds deposited into the Clearing Account shall be swept by the Clearing Bank on a daily basis into Borrower's operating account at the Clearing Bank, unless a Trigger Period is continuing, in which event such funds shall be swept on a daily basis into the Deposit Account and applied and disbursed in accordance with this Agreement and the Cash Management Agreement. Funds in the Deposit Account that are invested shall be invested in Permitted Investments, as more particularly set forth in the Cash Management Agreement. Lender may also establish subaccounts of the Deposit Account which shall at all times be Eligible Accounts (and may be ledger or book entry accounts and not actual accounts) (such subaccounts are referred to herein as "***Accounts***"). The Deposit Account and all other Accounts will be under the sole control and dominion of Lender, and Borrower shall have no right of withdrawal therefrom. Borrower shall pay for all expenses of opening and maintaining all of the above accounts.

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Section 6.2 **Intentionally Omitted**.

Section 6.3 **Tax Funds.**

6.3.1 **Deposits of Tax Funds**. Borrower shall deposit with Lender (i) on the Closing Date, an amount equal to $151,018.85 and (ii) on each Monthly Payment Date, an amount equal to one-twelfth of the Real Estate Taxes (including, without limitation, PILOT Payments) that Lender estimates will be payable during the next ensuing twelve (12) months (initially, $21,574.13), in order to accumulate sufficient funds to pay all such Real Estate Taxes at least thirty (30) days prior to their respective due dates, which amounts shall be transferred into an Account (the "***Tax Account***"). Amounts deposited from time to time into the Tax Account pursuant to this Section 6.3.1 are referred to herein as the "***Tax Funds***". If at any time Lender reasonably determines that the Tax Funds will not be sufficient to pay the Real Estate Taxes, Lender shall notify Borrower of such determination and the monthly deposits for Real Estate Taxes shall be increased by the amount that Lender estimates is sufficient to make up the deficiency at least ten (10) days prior to the respective due dates for the Real Estate Taxes; provided, that if Borrower receives notice of any deficiency after the date that is ten (10) days prior to the date that Real Estate Taxes are due, Borrower will deposit with or on behalf of Lender such amount within one (1) Business Day after its receipt of such notice.

6.3.2 **Release of Tax Funds**. Provided no Event of Default shall exist and remain uncured, Lender shall direct Servicer to apply Tax Funds in the Tax Account to payments of Real Estate Taxes. In making any payment relating to Real Estate Taxes, Lender may do so according to any bill, statement or estimate procured from the appropriate public office (with respect to Real Estate Taxes) without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof. If the amount of the Tax Funds shall exceed the amounts due for Real Estate Taxes and provided that no Trigger Period exists (other than a Trigger Period continuing solely because of the continuance of a Mezzanine Trigger Period), Lender shall, in its sole discretion, either (a) disburse any excess (i) if no Mezzanine Trigger Period has occurred and is continuing, to Borrower or (ii) if a Mezzanine Trigger Period has occurred and is continuing, on the next occurring Monthly Payment Date in accordance Section 6.16.1, or (b) credit such excess against future payments to be made to the Tax Funds. Any Tax Funds remaining in the Tax Account after the Obligations have been paid in full shall be returned to Borrower.

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Section 6.4 Insurance Funds.

6.4.1 Deposits of Insurance Funds. Borrower shall deposit with or on behalf of Lender (i) on the Closing Date, an amount equal to $98,879.99 and (ii) on each Monthly Payment Date, an amount equal to one-twelfth of the Insurance Premiums that Lender estimates will be payable for the renewal of the coverage afforded by the Policies upon the expiration thereof ($49,440.00 as of the Closing Date, provided, for the avoidance of doubt, that such amount shall be increased to reflect the cost of the Required Excess Flood Coverage Policy), in order to accumulate sufficient funds to pay all such Insurance Premiums at least thirty (30) days prior to the expiration of the Policies, which amounts shall be transferred into an Account established at Deposit Bank to hold such funds (the "***Insurance Account***"). Amounts deposited from time to time into the Insurance Account pursuant to this Section 6.4.1 are referred to herein as the "***Insurance Funds***". If at any time Lender reasonably determines that the Insurance Funds will not be sufficient to pay the Insurance Premiums, Lender shall notify Borrower of such determination and the monthly deposits for Insurance Premiums shall be increased by the amount that Lender estimates is sufficient to make up the deficiency at least thirty (30) days prior to expiration of the Policies.

6.4.2 Release of Insurance Funds. Provided no Event of Default shall exist and remain uncured, Lender shall direct Servicer to apply Insurance Funds in the Insurance Account to the timely payment of Insurance Premiums, provided Borrower shall furnish Lender with all bills, invoices and statements for the Insurance Premiums for which such funds are required at least thirty (30) days prior to the date on which such charges first become payable. In making any payment relating to Insurance Premiums, Lender may do so according to any bill, statement or estimate procured from the insurer or its agent, without inquiry into the accuracy of such bill, statement or estimate. If the amount of the Insurance Funds shall exceed the amounts due for Insurance Premiums and provided that no Trigger Period exists (other than a Trigger Period continuing solely because of the continuance of a Mezzanine Trigger Period), Lender shall, in its sole discretion, either (a) disburse any excess (i) if no Mezzanine Trigger Period has occurred and is continuing, to Borrower or (ii) if a Mezzanine Trigger Period has occurred and is continuing, on the next occurring Monthly Payment Date in accordance Section 6.16.1, or (b) credit such excess against future payments to be made to the Insurance Funds. Any Insurance Funds remaining in the Insurance Account after the Obligations have been paid in full shall be returned to Borrower.

6.4.3 Acceptable Blanket Policy. Notwithstanding anything to the contrary contained in Section 6.4.1, in the event that an Acceptable Blanket Policy is in effect with respect to the Policies required pursuant to Section 5.1, deposits into the Insurance Account required for Insurance Premiums pursuant to Section 6.4.1 above shall be suspended to the extent that Insurance Premiums relate to such Acceptable Blanket Policy. Borrower acknowledges and agrees that, as of the date hereof, there is not an Acceptable Blanket Policy in effect with respect to the Policies required as of the Closing Date pursuant to Section 5.1.

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Section 6.5 Capital Expenditure Funds.

6.5.1 Deposits of Capital Expenditure Funds. Borrower shall deposit with or on behalf of Lender on each Monthly Payment Date, the amount of $2,356.67, for annual Capital Expenditures, which amounts shall be transferred into an Account (the "***Capital Expenditure Account***"). Amounts deposited from time to time into the Capital Expenditure Account pursuant to this Section 6.5.1 are referred to herein as the "***Capital Expenditure Funds***". Lender may reassess its estimate of the amount necessary for Capital Expenditures from time to time and may require Borrower to increase the monthly deposits required pursuant to this Section 6.5.1 upon thirty (30) days' notice to Borrower if Lender determines in its reasonable discretion that an increase is necessary to maintain proper operation of the Property.

6.5.2 Release of Capital Expenditure Funds. Provided no Event of Default is continuing, Lender shall direct Servicer to disburse Capital Expenditure Funds to Borrower out of the Capital Expenditure Account, within ten (10) days after the delivery by Borrower to Lender of a request therefor (but not more often than once per month), in increments of at least $10,000 (or a lesser amount if the total amount in the Capital Expenditure Account is less than $10,000, in which case only one disbursement of the amount remaining in the account shall be made) provided that: (i) such disbursement is for an Approved Capital Expenditure; (ii) the request for disbursement is accompanied by (A) an Officer's Certificate from Borrower (1) stating that the items to be funded by the requested disbursement are Approved Capital Expenditures, and a description thereof, (2) stating that all Approved Capital Expenditures to be funded by the requested disbursement have been completed (or completed to the extent of the requested disbursement) in a good and workmanlike manner and in accordance with all applicable Legal Requirements, (3) identifying each Person that supplied materials or labor in connection with the Approved Capital Expenditures to be funded by the requested disbursement, (4) stating that each such Person has been paid in full or will be paid in full upon such disbursement, or if such payment is a progress payment, that such payment represents full payment to such Person, less any applicable retention amount, for work completed through the date of the relevant invoice from such Person, (5) stating that the Approved Capital Expenditures (or the relevant portions thereof) to be funded from the disbursement in question have not been the subject of a previous disbursement from any Account or included in any previous disbursement of Operating Expenses or Capital Expenditures, (6) stating that all previous disbursements of Capital Expenditure Funds have been used to pay the previously identified Approved Capital Expenditures, and (7) stating that all outstanding trade payables (other than those to be paid from the requested disbursement or those constituting Permitted Indebtedness) have been paid in full other than any applicable retention amount, (B) a copy of any license, permit or other approval required by any Governmental Authority in connection with the Approved Capital Expenditures and not previously delivered to Lender, (C) copies of appropriate lien waivers, conditional lien waivers, or other evidence of payment reasonably satisfactory to Lender, (D) at Lender's option, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender, and (E) such other evidence as Lender shall reasonably request to demonstrate that the Approved Capital Expenditures to be funded by the requested disbursement have been completed and are paid for or will be paid upon such disbursement to Borrower (or the portion thereof as to which such request for disbursement has been submitted has been completed and is paid for (other than any retention amount which is not a part of such disbursement request) or will be paid upon such disbursement to Borrower) and (iii) if such disbursement request is for $100,000 or more, Lender shall have (if it desires) verified (by an inspection conducted at Borrower's expense) performance of the work associated with such Approved Capital Expenditure. Notwithstanding the foregoing or anything to the contrary set forth herein, Capital Expenditures Funds shall not be disbursed to Borrower with respect to any Scheduled Capital Expenditures without the prior written approval of Lender in its sole and absolute discretion.

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Section 6.6 Rollover Funds.

6.6.1 Deposits of Rollover Funds.

(a) Borrower shall deposit with or on behalf of Lender on each Monthly Payment Date the sum of $10,683.77 (the "***Monthly Rollover Reserve Deposit***"), for tenant improvements and leasing commissions that may be incurred following the date hereof, which amounts shall be transferred into an Account (the "***Rollover Account***"). Lender may from time to time reassess its estimate of the required monthly amount necessary for tenant improvements and leasing commissions and, upon notice to Borrower, Borrower shall be required to deposit with or on behalf of Lender each month such reassessed amount, which shall be transferred into the Rollover Account. Amounts deposited from time to time into the Rollover Account pursuant to this Section 6.6.1 are referred to herein as the "***Rollover Funds***". Notwithstanding the foregoing, Borrower shall not be required to make the Monthly Rollover Reserve Deposit on any Monthly Payment Date on which each of the following conditions is satisfied (as determined by Lender in its sole and absolute discretion): (i) no Event of Default has occurred and is continuing, (ii) the PUREgraphite Lease is in full force and effect without any monetary or material non-monetary default by PUREgraphite Tenant under the PUREgraphite Lease beyond applicable cure periods then continuing, and (iii) PUREgraphite Tenant and/or PUREgraphite Guarantor has an Investment Grade Rating.

(b) In addition to the required monthly deposits set forth in subsection (a) above, the following items shall be deposited into the Rollover Account and held as Rollover Funds and shall be disbursed and released as set forth in Section 6.6.2 below, and Borrower shall advise Lender at the time of receipt thereof of the nature of such receipt so that Lender shall have sufficient time to instruct the Deposit Bank to deposit and hold such amounts in the Rollover Account pursuant to the Cash Management Agreement:

(i) Other than Lease Sweep Lease Termination Payments (which shall be deposited into the Lease Sweep Account in accordance with Section 6.13.1 hereof), all sums paid with respect to (A) a modification of any Lease or otherwise paid in connection with Borrower taking any action under any Lease (e.g., granting a consent) or waiving any provision thereof, (B) any settlement of claims of Borrower against third parties in connection with any Lease, (C) any rejection, termination, surrender or cancellation of any Lease (including in any bankruptcy case) or any lease buy-out or surrender payment from any Tenant (including any payment relating to unamortized tenant improvements and/or leasing commissions and/or application of any security deposit) (collectively, "***Lease Termination Payments***"), and (D) any sum received from any Tenant to obtain a consent to an assignment or sublet or otherwise, or any holdover rents or use and occupancy fees from any Tenant or former Tenant (to the extent not being paid for use and occupancy or holdover rent); and

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(ii) Any other extraordinary event pursuant to which Borrower receives payments or income (in whatever form) derived from or generated by the use, ownership or operation of the Property not otherwise covered by this Agreement or the Cash Management Agreement.

6.6.2 **Release of Rollover Funds**. Provided no Event of Default is continuing, Lender shall direct Servicer to disburse Rollover Funds to Borrower out of the Rollover Account, within ten (10) days after the delivery by Borrower to Lender of a request therefor (but not more often than once per month), in increments of at least $10,000 (or a lesser amount if the total amount in the Rollover Account is less than $10,000, in which case only one disbursement of the amount remaining in the account shall be made) provided that: (i) such disbursement is for an Approved Leasing Expense; (ii) the request for disbursement is accompanied by (A) an Officer's Certificate from Borrower (1) stating that the items to be funded by the requested disbursement are Approved Leasing Expenses, and a description thereof, (2) stating that any tenant improvements at the Property to be funded by the requested disbursement (or the relevant portion thereof as to which such request for funds relates) have been completed in a good and workmanlike manner and in accordance with all applicable Legal Requirements, (3) identifying each Person that supplied materials or labor in connection with the Approved Leasing Expenses to be funded by the requested disbursement, (4) stating that each such Person has been paid in full or will be paid in full upon such disbursement, or if such payment is a progress payment, that such payment represents full payment to such Person, less any applicable retention amount, for work completed through the date of the relevant invoice from such Person, (5) stating that the Approved Leasing Expenses (or the relevant portions thereof) to be funded from the disbursement in question have not been the subject of a previous disbursement from any Account or included in any previous disbursement of Operating Expenses or Capital Expenditures, (6) stating that all previous disbursements of Rollover Funds have been used to pay the previously identified Approved Leasing Expenses, and (7) stating that all outstanding trade payables (other than those to be paid from the requested disbursement or those constituting Permitted Indebtedness) have been paid in full other than any applicable retention amount, (B) a copy of any license, permit or other approval by any Governmental Authority required in connection with the tenant improvements and not previously delivered to Lender, (C) copies of appropriate lien waivers, conditional lien waivers or other evidence of payment reasonably satisfactory to Lender, (D) at Lender's option, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender, (E) if requested by Lender, with respect to disbursements from the Rollover Account for tenant improvement costs, a current Tenant estoppel certificate in form and substance acceptable to Lender, and (F) such other evidence as Lender shall reasonably request to demonstrate that the Approved Leasing Expenses to be funded by the requested disbursement have been completed and are paid for or will be paid upon such disbursement to Borrower (or the portion thereof as to which such request for disbursement has been submitted has been completed and is paid for (other than any retention amount which is not a part of such disbursement request) or will be paid upon such disbursement to Borrower).

Section 6.7 **Scheduled Capital Expenditures Funds**.

6.7.1 **Deposits of Scheduled Capital Expenditure Funds**. Borrower shall deposit with or on behalf of Lender on the Closing Date, the amount of $6,196,731.00, for the Scheduled Capital Expenditures, which amounts represent approximately 115% of the estimated cost of such Scheduled Capital Expenditures and which amounts shall be transferred into an Account (the "***Scheduled Capital Expenditure Account***"). Amounts deposited from time to time into the Scheduled Capital Expenditure Account pursuant to this Section 6.7.1 are referred to herein as the "***Scheduled Capital Expenditure Funds***".

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6.7.2 Release of Scheduled Capital Expenditure Funds. (a) Provided no Event of Default is continuing, Lender shall direct Servicer to disburse Scheduled Capital Expenditure Funds to Borrower out of the Scheduled Capital Expenditure Account, within ten (10) days after the delivery by Borrower to Lender of a request therefor (but not more often than once per month), in increments of at least $10,000 (or a lesser amount if the total amount in the Scheduled Capital Expenditure Account is less than $10,000, in which case only one disbursement of the amount remaining in the account shall be made) provided that: (i) such disbursement is for a Scheduled Capital Expenditure; (ii) the request for disbursement is accompanied by (A) an Officer's Certificate from Borrower (1) stating that the items to be funded by the requested disbursement are Scheduled Capital Expenditures, and a description thereof, (2) stating that all Scheduled Capital Expenditures Work related to the Scheduled Capital Expenditures to be funded by the requested disbursement have been completed (or completed to the extent of the requested disbursement) in a good and workmanlike manner and in accordance with all applicable Legal Requirements and the plans and specifications attached hereto as Schedule XI, (3) identifying each Person that supplied materials or labor in connection with the Scheduled Capital Expenditures to be funded by the requested disbursement, (4) stating that each such Person has been paid in full or will be paid in full upon such disbursement, or if such payment is a progress payment, that such payment represents full payment to such Person, less any applicable retention amount, for Scheduled Capital Expenditures Work completed through the date of the relevant invoice from such Person, (5) stating that the Scheduled Capital Expenditures (or the relevant portions thereof) to be funded from the disbursement in question have not been the subject of a previous disbursement from any Account or included in any previous disbursement of Operating Expenses or Capital Expenditures (including, without limitation, Scheduled Capital Expenditures), (6) stating that all previous disbursements of Scheduled Capital Expenditure Funds have been used to pay the previously identified Scheduled Capital Expenditures, and (7) stating that all outstanding trade payables (other than those to be paid from the requested disbursement or those constituting Permitted Indebtedness) have been paid in full other than any applicable retention amount, (B) a copy of any license, permit or other approval required by any Governmental Authority in connection with the Scheduled Capital Expenditures and not previously delivered to Lender, (C) copies of appropriate lien waivers, conditional lien waivers, or other evidence of payment reasonably satisfactory to Lender, (D) at Lender's option, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender, and (E) such other evidence as Lender shall reasonably request to demonstrate that the Scheduled Capital Expenditures to be funded by the requested disbursement have been completed and are paid for or will be paid upon such disbursement to Borrower (or the portion thereof as to which such request for disbursement has been submitted has been completed and is paid for (other than any retention amount which is not a part of such disbursement request) or will be paid upon such disbursement to Borrower) and (iii) if such disbursement request is for $100,000 or more, Lender shall have (if it desires) verified (by an inspection conducted at Borrower's expense) performance of the Scheduled Capital Expenditures Work.

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(b) Without limitation of the foregoing, provided that no Event of Default has occurred and is continuing, upon Lender's receipt of fully executed contracts from the contractors, subcontractors and/or materialmen, as applicable, engaged in the Scheduled Capital Expenditures Work (which such contracts, as well as the identity of such contractors, subcontractors and/or materialmen, as applicable, have been approved by Lender, provided that, so long as no Event of Default has occurred and is continuing, such approval shall not be unreasonably withheld, conditioned or delayed; such approved contracts, collectively, the "***Approved Scheduled Capital Expenditures Work Contracts***"), Scheduled Capital Expenditures Funds equal to the Approved Reduction Amount (defined below) shall be disbursed (i) if no Trigger Period has occurred and is continuing, to Borrower, or (ii) if a Trigger Period has occurred and is continuing, on the next occurring Monthly Payment Date in accordance Section 6.16.1. For purposes of this Section 6.7.2(b), "***Approved Reduction Amount***" shall mean the positive difference (if any) of (x) the amount of Scheduled Capital Expenditures Funds on deposit in the Scheduled Capital Expenditures Account *minus* (y) the *greater* of (A) $5,657,885.10 (which amount represents approximately 105% of the estimated cost of such Scheduled Capital Expenditures as set forth on Schedule X hereto) and (B) an amount equal to 105% of the total cost to complete all of the Scheduled Capital Expenditures Work as set forth on the Approved Scheduled Capital Expenditures Work Contracts. If, however, the amount of Scheduled Capital Expenditures Funds on deposit in the Scheduled Capital Expenditures Account is less than 105% of the total cost to complete all of the remaining Scheduled Capital Expenditures Work as set forth on the Approved Scheduled Capital Expenditures Work Contracts on the date on which Lender receives the Approved Scheduled Capital Expenditures Work Contracts, then Borrower shall promptly deposit with Lender an amount equal to such difference, which amount shall be held and applied as Scheduled Capital Expenditures Funds hereunder.

(c) Without limitation of the foregoing, provided that no Event of Default has occurred and is continuing, upon the completion of all Scheduled Capital Expenditures Work related to all of the Scheduled Capital Expenditures in a good and workmanlike manner and in accordance with all applicable Legal Requirements, the plans and specifications attached hereto as Schedule XI and the applicable terms and conditions hereof, and the satisfaction of all of the requirements set forth in Sections 6.7.2(a)(ii) and (iii) above with respect to all such Scheduled Capital Expenditures Work, any remaining Scheduled Capital Expenditures Funds on deposit in the Scheduled Capital Expenditures Account shall be disbursed (i) if no Trigger Period has occurred and is continuing, to Borrower, or (ii) if a Trigger Period has occurred and is continuing, on the next occurring Monthly Payment Date in accordance Section 6.16.1.

Section 6.8 Earnout Reserve Funds.

6.8.1 Deposits of Earnout Reserve Funds. Borrower shall deposit with or on behalf of Lender $8,000,000 on the Closing Date to be held as additional collateral for the Loan, which amount shall be transferred into an Account (the "***Earnout Reserve Account***"). Amounts deposited into the Earnout Reserve Account shall be referred to herein as the "***Earnout Funds***".

6.8.2 Release of Earnout Reserve Funds.

(a) At such time as Borrower provides Lender with evidence (in a form reasonably acceptable to Lender) that the Earnout Reserve Release Conditions have been satisfied, Borrower may request that all Earnout Reserve Funds be released from the Earnout Reserve Account and provided that no Event of Default is ongoing as of the date of Borrower's request for said release or as of the date of said release, the Earnout Reserve Funds shall be disbursed to Borrower. To the extent the Earnout Reserve Release Conditions have not been satisfied in full on or before the second (2nd) anniversary of the Closing Date (the "***Disbursement Deadline***"), Borrower shall no longer be entitled to any disbursement of said funds and Lender, on any date from and after the Disbursement Deadline, shall have the option (in its sole and absolute discretion) to apply the Earnout Reserve Funds to the payment of the Debt in such order, proportion and priority as Lender may determine in its sole and absolute discretion. In connection with any such application, Lender may (in its sole and absolute discretion) require payment by Borrower of the Yield Maintenance Amount and/or (if an Event of Default shall have occurred and/or be continuing) a Prepayment Fee.**Intentionally Omitted.**

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Section 6.10 Intentionally Omitted.

Section 6.11 Casualty and Condemnation Account. Borrower shall pay, or cause to be paid, to Lender all Insurance Proceeds or Awards due to any Casualty or Condemnation in accordance with the provisions of Sections 5.2 and 5.3, which amounts shall be transferred into an Account (the "***Casualty and Condemnation Account***"). Amounts deposited from time to time into the Casualty and Condemnation Account pursuant to this Section 6.11 are referred to herein as the "***Casualty and Condemnation Funds***". All Casualty and Condemnation Funds shall be held, disbursed and/or applied in accordance with the provisions of Section 5.4 hereof.

Section 6.12 Cash Collateral Funds. If a Trigger Period shall be continuing (other than a Trigger Period continuing solely because of the continuance of a Mezzanine Trigger Period, or a Trigger Period continuing because of the continuance of a Lease Sweep Period), all Available Cash shall be paid to Lender, which amounts shall be transferred by Lender into an Account (the "***Cash Collateral Account***") to be held by Lender as cash collateral for the Debt. Amounts on deposit from time to time in the Cash Collateral Account pursuant to this Section 6.**12** are referred to as the "***Cash Collateral Funds***". Any Cash Collateral Funds on deposit in the Cash Collateral Account not previously disbursed or applied shall, upon the termination of such Trigger Period and so long as no other Trigger Period is then continuing (other than a Trigger Period continuing solely because of the continuance of a Mezzanine Trigger Period), be disbursed (i) if no Mezzanine Trigger Period has occurred and is continuing, to Borrower, or (ii) if a Mezzanine Trigger Period has occurred and is continuing, on the next occurring Monthly Payment Date in accordance Section 6.16.1. Notwithstanding the foregoing, Lender shall have the right, but not the obligation, at any time during the continuance of an Event of Default, in its sole and absolute discretion to apply any and all Cash Collateral Funds then on deposit in the Cash Collateral Account to the Debt and the Other Obligations, any other amounts owed by Borrower to any Person and/or any other Property-related costs and expenses (including without limitation, operating expenses, capital expenditures, tenant improvements, tenant allowances and leasing commissions), in such order and in such manner as Lender shall elect in its sole and absolute discretion, including to make a prepayment of principal (together with the applicable Prepayment Fee and/or Liquidated Damages Amount, if any, applicable thereto) or any other amounts due hereunder.

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Section 6.13 Lease Sweep Funds.

6.13.1 Deposits of Lease Sweep Funds.

(a) On each Monthly Payment Date during a Lease Sweep Period, all Available Cash shall be paid to Lender, which amounts shall be transferred by Lender into an Account (the "***Lease Sweep Account***"). Amounts deposited from time to time into the Lease Sweep Account shall collectively be referred to herein as the "***Lease Sweep Funds***".

(b) In addition to the deposits set forth in clause (a) above, all Lease Sweep Lease Termination Payments shall be deposited into the Lease Sweep Account and held as Lease Sweep Funds and shall be disbursed and released as set forth in Section 6.13.2 below, and Borrower shall advise Lender at the time of receipt thereof of the nature of such receipt so that Lender shall have sufficient time to instruct the Deposit Bank to deposit and hold such amounts in the Lease Sweep Account pursuant to the Cash Management Agreement.

(c) In the event that Lease Sweep Funds are being swept (or are applicable to) more than one Lease Sweep Lease, such Lease Sweep Funds shall be reasonably allocated by Lender as between or among such related Lease Sweep Space (provided that any Lease Sweep Lease Termination Payments received with respect to a Lease Sweep Lease shall be allocated by Lender to such related Lease Sweep Space).

6.13.2 Release of Lease Sweep Funds.

(a) Provided no Event of Default is continuing, Lender shall direct Servicer to disburse Lease Sweep Funds to Borrower out of the Lease Sweep Account, within ten (10) days after the delivery by Borrower to Lender of a request therefor (but not more often than once per month), in increments of at least $10,000 (or a lesser amount if the total amount in the Lease Sweep Account is less than $10,000, in which case only one disbursement of the amount remaining in the account shall be made) provided that: (i) such disbursement is for Approved Lease Sweep Space Leasing Expenses for the Lease Sweep Space applicable to such Lease Sweep Funds; (ii) the request for disbursement is accompanied by (A) an Officer's Certificate from Borrower (1) stating that the items to be funded by the requested disbursement are Approved Lease Sweep Space Leasing Expenses, and a description thereof, (2) stating that any tenant improvements at the Property to be funded by the requested disbursement (or the relevant portion thereof as to which such request for funds relates) have been completed in a good and workmanlike manner and in accordance with all applicable Legal Requirements, (3) identifying each Person that supplied materials or labor in connection with the Approved Lease Sweep Space Leasing Expenses to be funded by the requested disbursement, (4) stating that each such Person has been paid in full or will be paid in full upon such disbursement, or if such payment is a progress payment, that such payment represents full payment to such Person, less any applicable retention amount, for work completed through the date of the relevant invoice from such Person, (5) stating that the Approved Lease Sweep Space Leasing Expenses (or the relevant portions thereof) to be funded from the disbursement in question have not been the subject of a previous disbursement from any Account or included in any previous disbursement of Operating Expenses or Capital Expenditures, (6) stating that all previous disbursements of Lease Sweep Funds have been used to pay the previously identified Approved Lease Sweep Space Leasing Expenses, and (7) stating that all outstanding trade payables (other than those to be paid from the requested disbursement or those constituting Permitted Indebtedness) have been paid in full other than any applicable retention amount, (B) a copy of any license, permit or other approval by any Governmental Authority required in connection with the tenant improvements and not previously delivered to Lender, (C) copies of appropriate lien waivers, conditional lien waivers or other evidence of payment reasonably satisfactory to Lender, (D) at Lender's option, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender, (E) if requested by Lender, with respect to disbursements from the Lease Sweep Account for tenant improvement costs, a current Tenant estoppel certificate in form and substance acceptable to Lender, and (F) such other evidence as Lender shall reasonably request to demonstrate that the Approved Lease Sweep Space Leasing Expenses to be funded by the requested disbursement have been completed and are paid for or will be paid upon such disbursement to Borrower (or the portion thereof as to which such request for disbursement has been submitted has been completed and is paid for (other than any retention amount which is not a part of such disbursement request) or will be paid upon such disbursement to Borrower).

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(b) Provided no Event of Default is continuing, funds on deposit in the Lease Sweep Account with respect to a Lease Sweep Space not previously disbursed or applied shall be disbursed (x) provided no Trigger Period is continuing, to Borrower or (y) if a Trigger Period is continuing, on the next occurring Monthly Payment Date in accordance Section 6.16.1; in each case, as follows:

(i) if the Lease Sweep Period for such Lease Sweep Space ceased as described by clause (ii)(A) or (B) of the definition of "Lease Sweep Period", any such remaining Lease Sweep Funds applicable to the Lease Sweep Space in question will be disbursed once all Occupancy Conditions are satisfied with respect to such Lease Sweep Space, less (x) any Unpaid TILC Obligations Amount, as determined by Lender, which amount will be retained in the Lease Sweep Account and will be periodically disbursed for Approved Lease Sweep Space Leasing Expenses in accordance with Section 6.13.2(a) and/or (y) any Remaining Rent Abatement Amount, as determined by Lender, which amount will be retained in the Lease Sweep Account and will be disbursed on each Monthly Payment Date in amounts sufficient to replicate full contractual rents under each applicable Lease in accordance with a schedule to be delivered to, and reasonably approved by, Lender;

(ii) if the Lease Sweep Period for such Lease Sweep Space ceased as described by clause (ii) (C), (D), or (E)(x) of the definition of "Lease Sweep Period", all remaining Lease Sweep Funds applicable to the Lease Sweep Space in question will be disbursed once the applicable conditions described in clause (ii)(C), (D), or (E)(x) of the definition of "Lease Sweep Period" have been met; or

(iii) if the Lease Sweep Period for such Lease Sweep Space ceased as described by clause (ii)(E)(y) of the definition of "Lease Sweep Period", all remaining Lease Sweep Funds applicable to the Lease Sweep Space in question will be disbursed once the conditions described in clause (ii)(E)(x) of the definition of "Lease Sweep Period" have been met.

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Section 6.14 **Intentionally Omitted**.

Section 6.15 **Intentionally Omitted**.

Section 6.16 **Property Cash Flow Allocation**.

6.16.1 **Order of Priority of Funds in Deposit Account**. On each Monthly Payment Date during the continuance of a Trigger Period, except during the continuance of an Event of Default, all funds deposited into the Deposit Account during the immediately preceding Interest Period shall be applied on such Monthly Payment Date in the following order of priority:

(i) First, to the Tax Account, to make the required payments of Tax Funds as required under Section 6.3;

(ii) Second, to the Insurance Account, to make any required payments of Insurance Funds as required under Section 6.4;

(iii) Third, to Lender, funds sufficient to pay the Monthly Debt Service Payment Amount, applied first to the payment of interest computed at the Interest Rate with the remainder applied to the reduction of the Outstanding Principal Balance;

(iv) Fourth, to the Capital Expenditure Account, to make the required payments of Capital Expenditure Funds as required under Section 6.5;

(v) Fifth, to the Rollover Account, to make the required payments of Rollover Funds as required under Section 6.6; and

(vi) Sixth, to Lender, of any other amounts then due and payable under the Loan Documents;

(vii) Seventh, to Borrower, funds in an amount equal to (I) the lesser of (A) Monthly Operating Expense Budgeted Amount and (B) Actual Opex for the applicable month minus (II) any OpEx Overpayment Amount received by Borrower that has not been previously deducted pursuant to this clause (vii)(II);

(viii) Eighth, to Borrower, payments for Approved Extraordinary Operating Expenses, if any;

(ix) Ninth, if a New Mezzanine Loan (or any portion thereof) is outstanding to make payments in the amount of the monthly debt service payment payable under the terms of the New Mezzanine Loan, to the lender under the New Mezzanine Loan; and;

(x) Lastly, all amounts remaining after payment of the amounts set forth in clauses (i) through (ix) above (the "***Available Cash***"):

(A) during a Trigger Period continuing due to a Lease Sweep Period (regardless of whether any other Trigger Period is continuing), to the Lease Sweep Account to be held and disbursed in accordance with Section 6.13; or

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(B) provided no Lease Sweep Period is continuing, to the Cash Collateral Account to be held or disbursed in accordance with Section 6.12

6.16.2 Failure to Make Payments. The failure of Borrower to make all of the payments (whether to Lender to any other applicable payee) required under clauses (i) through (viii) of Section 6.16.1 in full on each Monthly Payment Date shall constitute an Event of Default under this Agreement; provided, however, if adequate funds are available in the Deposit Account (as opposed to subaccounts thereof) for such payments, and Borrower is not otherwise in Default hereunder, the failure by the Deposit Bank to allocate such funds into the appropriate Accounts shall not constitute an Event of Default.

6.16.3 Application After Event of Default. Notwithstanding anything to the contrary contained in this Article 6, upon the occurrence of an Event of Default, Lender, at its option, may withdraw the Reserve Funds and any other funds of Borrower then in the possession of Lender, Servicer or Deposit Bank (including any Gross Revenue and Reserve Funds on deposit in any Cash Management Account) and apply such funds to the payment of the items for which the Reserve Funds were established, or to the payment of the Debt and the Other Obligations, any other amounts owed by Borrower to any Person and/or any other Property-related costs and expenses (including without limitation, operating expenses, capital expenditures, tenant improvements, tenant allowances and leasing commissions), in such order, proportion and priority as Lender may determine in its sole and absolute discretion. Lender's right to withdraw and apply any of the foregoing funds shall be in addition to all other rights and remedies provided to Lender under the Loan Documents.

Section 6.17 Security Interest in Reserve Funds. As security for payment of the Debt and the performance by Borrower of all other terms, conditions and provisions of the Loan Documents, Borrower hereby pledges and assigns to Lender, and grants to Lender a security interest in, all Borrower's right, title and interest in and to all Gross Revenue and in and to all payments to or monies held in the Clearing Account, the Deposit Account and Accounts created pursuant to this Agreement (collectively, the "***Cash Management Accounts***"). Borrower hereby grants to Lender a continuing security interest in, and agrees to hold in trust for the benefit of Lender, all Gross Revenue in its possession prior to the (i) payment of such Gross Revenue to Lender or (ii) deposit of such Gross Revenue into the Deposit Account. Borrower shall not, without obtaining the prior written consent of Lender, further pledge, assign or grant any security interest in any Cash Management Account, or permit any Lien to attach thereto, or any levy to be made thereon, or any UCC Financing Statements, except those naming Lender as the secured party, to be filed with respect thereto. This Agreement is, among other things, intended by the parties to be a security agreement for purposes of the UCC. Upon the occurrence and during the continuance of an Event of Default, Lender may apply any sums in any Cash Management Account to the Debt and the Other Obligations, any other amounts owed by Borrower to any Person and/or any other Property-related costs and expenses (including without limitation, operating expenses, capital expenditures, tenant improvements, tenant allowances and leasing commissions) in any order and in any manner as Lender shall elect in Lender's discretion without seeking the appointment of a receiver and without adversely affecting the rights of Lender to foreclose the Lien of the Mortgage or exercise its other rights under the Loan Documents. Cash Management Accounts shall not constitute trust funds and may be commingled with other monies held by Lender. All interest which accrues on the funds in any Account shall accrue for the benefit of Lender and shall be taxable to Borrower. Upon repayment in full of the Debt, all remaining funds in the Accounts, if any, shall be promptly disbursed to Borrower.

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ARTICLE 7

PERMITTED TRANSFERS

Section 7.1 Permitted Transfer of the Entire Property.

(a) Notwithstanding the provisions of Section 4.2, Borrower shall have, following a Securitization of the Loan, the right to convey the entire Property to a new borrower (the "***Transferee Borrower***") and have Transferee Borrower assume all of Borrower's obligations under the Loan Documents, and have replacement guarantors and indemnitors replace the guarantors and indemnitors with respect to all of the obligations of the indemnitors and guarantors of the Loan Documents from and after the date of such transfer (collectively, a "***Transfer and Assumption***"), subject to the terms and full satisfaction of all of the conditions precedent set forth in Section 7.1(b).

(b) Transfer and Assumption shall be subject to the following conditions:

(i) Borrower has provided Lender with not less than sixty (60) days prior written notice (it being understood that the consummation of the Transfer and Assumption is subject to Lender's approval of all of the conditions set forth in this Section 7.1(b)), which notice shall contain sufficient detail to enable Lender to determine that the Transferee Borrower complies with the requirements set forth herein;

(ii) no Event of Default has occurred and is continuing;

(iii) Transferee Borrower shall be a newly formed Delaware single member limited liability company that is a Special Purpose Bankruptcy Remote Entity in accordance with Section 4.4 and **Schedule V**;

(iv) Transferee Borrower shall be Controlled by a Person who (x) is a Qualified Transferee with a minimum ownership interest in the Transferee Borrower reasonably acceptable to Lender and (y) whose identity, experience, financial condition and creditworthiness, including net worth and liquidity, is acceptable to Lender in Lender's sole and absolute discretion;

(v) Subject to the terms of Section 4.14.4 hereof, the Property shall be managed by an Unaffiliated Qualified Manager or by a property manager reasonably acceptable to Lender;

(vi) Transferee Borrower shall have executed and delivered to Lender an assumption agreement in form and substance acceptable to Lender;

(vii) Transferee Borrower shall have proposed one or more replacement guarantors and indemnitor and Lender shall have determined that such proposed guarantors and indemnitors as Approved Replacement Guarantor (and each such proposed replacement guarantor that is an Approved Replacement Guarantor shall hereafter be referred to as a "***Transferee Guarantor***");

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(viii) (A) each Transferee Guarantor shall deliver to Lender a guaranty of recourse obligations (in the same form as the guaranty of recourse obligations delivered to Lender by Guarantor on the date hereof, provided, however, for the avoidance of doubt, that such Transferee Guarantor shall be required to satisfy the applicable Liquid Asset and Net Worth covenants with only assets located in the United States and/or Canada) and (B) one of the following: (x) the insurance carrier providing the then existing environmental insurance policy shall have confirmed that the Transferee Borrower and Transferee Guarantor(s) are accepted under the terms of the then-existing environmental insurance policy, (y) the Transferee Borrower or Transferee Guarantor(s) shall have provided an environmental insurance policy to Lender in substantially the same form as the policy provided by Borrower at origination of the Loan or (z) each Transferee Guarantor shall deliver to Lender an environmental indemnity agreement (in the same form as the environmental indemnity agreement delivered to Lender by Borrower on the date hereof), pursuant to which, in each case, the Transferee Guarantor(s) agree (s) to be liable under each such guaranty of recourse obligations and, if applicable, environmental indemnity agreement from and after the date of such Transfer and Assumption (whereupon the previous guarantor shall be released from any further liability under the guaranty of recourse obligations for acts that arise from and after the date of such Transfer and Assumption (other than the acts or actions of the released Guarantor or any Affiliate thereof (or any Person acting on behalf thereof)) and such Transferee Guarantor(s) shall be the "Guarantor" for all purposes set forth in this Agreement);

(ix) Transferee Borrower shall submit to Lender true, correct and complete copies of all documents reasonably requested by Lender concerning the organization and existence of Transferee Borrower and each Transferee Guarantor;

(x) Each Person that will have Control of, or a ten percent (10%) or greater direct or indirect interest in, Transferee Borrower or any Person that Controls Transferee Borrower upon such Transfer and Assumption shall be a Qualified Transferee;

(xi) Lender shall have received a Rating Agency Confirmation from each of the applicable Rating Agencies;

(xii) counsel to Transferee Borrower and each Transferee Guarantor(s) shall deliver to Lender opinions in form and substance reasonably satisfactory to Lender as to such matters as Lender shall require, which may include opinions as to substantially the same matters and were required in connection with the origination of the Loan (including a new substantive non-consolidation opinion);

(xiii) Borrower shall cause to be delivered to Lender, an endorsement (relating to the change in the identity of the vestee and execution and delivery of the Transfer and Assumption documents) to the Title Insurance Policy in form and substance acceptable to Lender, in Lender's reasonable discretion;

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(xiv) Transferee Borrower and/or Borrower, as the case may be, shall deliver to Lender, upon such conveyance, a transfer fee equal to 1.00% of the Outstanding Principal Balance;

(xv) if a New Mezzanine Loan is outstanding at the time of the Transfer and Assumption, the proposed Transfer and Assumption shall not constitute or cause a default under the New Mezzanine Loan;

(xvi) Borrower shall pay all of Lender's reasonable out-of-pocket costs and expenses in connection with the Transfer and Assumption. Lender may, as a condition to evaluating any requested consent to a transfer, require that Borrower post a cash deposit with Lender in an amount equal to Lender's anticipated costs and expenses in evaluating any such request for consent; and

(xvii) Borrower shall have otherwise received Lender's written consent to such Transfer and Assumption (which consent shall not be unreasonably withheld so long as all of the other conditions set forth in this Section 7.1(b) are satisfied, including receipt of a Rating Agency Confirmation from each of the applicable Rating Agencies).

Section 7.2 Permitted Transfers. Notwithstanding anything to the contrary contained in Section 4.2, the following Transfers (herein, the "***Permitted Transfers***") shall be permitted hereunder:

(a) a Lease entered into in accordance with the Loan Documents;

(b) a Transfer and Assumption in accordance with Section 7.1;

(c) a Permitted Encumbrance;

(d) the transfer of publicly traded shares listed on the NYSE or NASDAQ (and/or, solely with respect to Novonix Limited, an Australian public company, the Australian Securities Exchange (ASX) or any successor thereto) in any indirect equity owner of Borrower;

(e) intentionally omitted;

(f) intentionally omitted;

(g) provided that no Event of Default shall then exist, a Transfer (other than a pledge, hypothecation, assignment or other encumbrance, or any creation or issuance of Debt-Like Preferred Equity) of a direct or indirect interest in Borrower shall be permitted without Lender's consent provided that:

(i) such Transfer shall not (x) cause the transferee (other than Key Principal), together with its Affiliates, to acquire or to increase its direct or indirect interest in Borrower to an amount which equals or exceeds forty-nine percent (49%) or (y) result in a change in Control of Borrower;

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(ii) Borrower shall continue to be a Special Purpose Bankruptcy Remote Entity and Borrower shall continue to be a Delaware single member limited liability company;

(iii) if such Transfer would cause the transferee, together with its Affiliates, to acquire or to increase its direct or indirect interest in Borrower or any Person that Controls Borrower to an amount which equals or exceeds ten percent (10%), (x) such transferee is a Qualified Transferee and (y) Borrower shall provide to Lender thirty (30) days prior written notice thereof;

(iv) after giving effect to such Transfer, Key Principal shall continue to control the day to day operations of Borrower and shall continue to own at least fifty one percent (51%) of all equity interests (direct or indirect) of Borrower; and

(v) subject to the terms of Section 4.14.4 hereof, the Property shall continue to be managed by a Qualified Manager or by a property manager reasonably acceptable to Lender and acceptable to the applicable Rating Agencies.

Notwithstanding anything to the contrary contained in this Section 7.2, if, as a result of any Transfer, Guarantor no longer Controls Borrower and owns any direct or indirect interest in Borrower (or if there were two or more Guarantors immediately prior to such Transfer, no Guarantor any longer Controls Borrower or any such Guarantor no longer has a direct or indirect interest in Borrower), it shall also be a condition for such Transfer to be a Permitted Transfer that one or more Approved Replacement Guarantors shall execute and deliver a guaranty of recourse obligations (in the same form as the guaranty of recourse obligations delivered to Lender by Guarantor on the date hereof) and an environmental indemnity agreement (in the same form as the environmental indemnity agreement delivered to Lender by Guarantor on the date hereof) on or prior to the date of such Transfer, pursuant to which, in each case, the Approved Replacement Guarantor(s) agree(s) to be liable under each such guaranty of recourse obligations and environmental indemnity agreement from and after the date of such Transfer (whereupon the previous guarantor shall be released from any further liability under the guaranty of recourse obligations from acts that arise from and after the date of such Transfer other than the acts or actions of the released Guarantor or any Affiliate thereof (or any Person acting on behalf thereof) and such Approved Replacement Guarantor(s) shall be the "Guarantor" for all purposes set forth in this Agreement); provided, however, that the previous guarantors shall have the burden of proof with respect to any events or acts that such guarantors allege to have occurred after the date of any such release in accordance with the terms hereof and the replacement guarantors shall have the burden of proof with respect to any events or acts that such replacement guarantors allege to have occurred prior to the date such guarantors became replacement guarantors hereunder).

Section 7.3 Cost and Expenses; Searches; Copies.

(a) Borrower shall pay all costs and expenses of Lender in connection with any Transfer, whether or not such Transfer is deemed to be a Permitted Transfer, including, without limitation, all fees and expenses of Lender's counsel, whether internal or outside, and the cost of any required counsel opinions related to REMIC or other securitization or tax issues and any Rating Agency fees.

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(b) Borrower shall provide Lender with copies of all organizational documents relating to any Permitted Transfer.

(c) In connection with any Permitted Transfer, to the extent a transferee, together with its Affiliates, shall Control Borrower or Guarantor or own ten percent (10%) or more of the direct or indirect ownership interests in Borrower or Guarantor or in any Person that Controls Borrower or Guarantor immediately following such transfer (provided that, as of the Closing Date, such transferee did not Control Borrower or Guarantor or, together with its Affiliates, own ten percent (10%) or greater of the direct or indirect ownership interests in Borrower or Guarantor or any Person that Controls Borrower or Guarantor), Borrower shall deliver (and Borrower shall be responsible for any reasonable out of pocket costs and expenses in connection therewith) the information necessary for Lender to obtain Satisfactory Search Results with respect to such transferee.

ARTICLE 8

DEFAULTS

Section 8.1 **Events of Default.** Each of the following events shall constitute an event of default hereunder (an "***Event of Default***"):

(i) if (A) the Obligations are not paid in full on the Maturity Date, (B) any regularly scheduled monthly payment of interest, and, if applicable, principal due under the Note is not paid in full on the applicable Monthly Payment Date, (C) any prepayment of principal due under this Agreement or the Note is not paid when due, (D) the Prepayment Fee is not paid when due, (E) the Liquidated Damages Amount is not paid when due, or (F) any deposit to the Reserve Funds is not made on the required deposit date therefor;

(ii) if any other amount payable pursuant to this Agreement, the Note or any other Loan Document (other than as set forth in the foregoing clause (i)) is not paid in full when due and payable in accordance with the provisions of the applicable Loan Document, with such failure continuing for ten (10) Business Days after Lender delivers written notice thereof to Borrower;

(iii) if any of the Taxes or Other Charges are not paid when due (provided that it shall not be an Event of Default if such past due Taxes are Real Estate Taxes and there are sufficient funds in the Tax Account to pay such amounts when due, no other Event of Default is then continuing and Servicer fails to make such payment in violation of this Agreement);

(iv) if the Policies are not (A) delivered to Lender within five (5) days of Lender's written request and (B) kept in full force and effect, each in accordance with the terms and conditions hereof;

(v) a Transfer other than a Permitted Transfer occurs without the express and specific prior written consent of Lender;

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(vi) if any certification, representation or warranty made by Borrower or Guarantor herein or in any other Loan Document, or in any report, certificate, financial statement or other instrument, agreement or document furnished to Lender shall have been false or misleading in any material respect as of the date such representation or warranty was made;

(vii) if Borrower or Guarantor shall make an assignment for the benefit

of creditors;

(viii) if a receiver, liquidator or trustee shall be appointed for Borrower or Guarantor or if Borrower or Guarantor shall be adjudicated as bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, Borrower or Guarantor, or if any proceeding for the dissolution or liquidation of Borrower or Guarantor shall be instituted, or if Borrower or Guarantor is substantively consolidated with any other Person; provided, however, if such appointment, adjudication, petition, proceeding or consolidation was involuntary and not consented to by Borrower or Guarantor, upon the same not being discharged, stayed or dismissed within thirty (30) days following its filing;

(ix) if Borrower attempts to assign its rights under this Agreement or any of the other Loan Documents or any interest herein or therein in contravention of the Loan Documents;

(x) if any of the assumptions contained in the Insolvency Opinion, or in any other non-consolidation opinion delivered to Lender in connection with the Loan, or in any other non-consolidation opinion delivered subsequent to the closing of the Loan, is or shall become untrue in any material respect;

(xi) a breach of the covenants set forth in Sections 4.4, 4.23, 4.31 or 4.36 hereof;

(xii) if Borrower shall be in default under any mortgage or security agreement covering any part of the Property whether it be superior, *pari passu* or junior in Lien to the Mortgage;

(xiii) subject to Borrower's right to contest set forth in Section 4.3 of this Agreement, if the Property becomes subject to any mechanic's, materialman's or other Lien except a Permitted Encumbrance or a Lien for Taxes not then due and payable;

(xiv) the alteration, improvement, demolition or removal of any of the Improvements without the prior consent of Lender, other than in accordance with this Agreement and the Leases at the Property entered into in accordance with the Loan Documents;

(xv) if, on or after the date on which a Management Agreement is entered into with respect to the Property in accordance with the terms and conditions hereof, without Lender's prior written consent, (i) the Management Agreement is terminated, (ii) if Manager is an Affiliate of Borrower or any Guarantor, the ownership, management or control of Manager is transferred, (iii) there is a material change in the Management Agreement, or (iv) if there shall be a material default by Borrower under the Management Agreement beyond any applicable notice or grace period;

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(xvi) if Borrower or any Person owning a direct or indirect ownership interest in Borrower shall be convicted of a Patriot Act Offense by a court of competent jurisdiction;

(xvii) a breach of any representation, warranty or covenant contained Section 3.1.18 hereof;

(xviii) if Borrower breaches any covenant contained Section 4.9 hereof;

(xix) if (A) Borrower shall fail in the payment of any rent, additional rent or other charge mentioned in or made payable by the Ground Lease as and when such rent or other charge is payable (unless waived by the landlord under the Ground Lease), (B) there shall occur any default by Borrower, as tenant under the Ground Lease, in the observance or performance of any term, covenant or condition of the Ground Lease on the part of Borrower to be observed or performed beyond any applicable notice and cure periods (unless waived by the landlord under the Ground Lease), (C) if any one or more of the events referred to in the Ground Lease shall occur which would cause the Ground Lease to terminate without notice or action by the landlord under the Ground Lease or which would entitle the landlord to terminate the Ground Lease and the term thereof by giving notice to Borrower, as tenant thereunder (unless waived by the landlord under the Ground Lease), (D) if the leasehold estate created by the Ground Lease shall be surrendered or the Ground Lease shall be terminated or canceled for any reason or under any circumstances whatsoever, or (E) if any of the terms, covenants or conditions of the Ground Lease shall in any manner be modified, changed, supplemented, altered or amended without the consent of Lender except as otherwise permitted by this Agreement;

(xx) if (A) there is any default by Borrower, any Borrower Affiliated Tenant and/or their respective successors and/or assigns under the PILOT Documents beyond any applicable notice and cure periods, (B) there is any surrender, termination, cancellation, modification, change, supplement, alteration or amendment of any PILOT Document, and/or (C) there is any breach of any representation, warranty and/or covenant set forth in Sections 3.1.34 and/or 4.15 hereof, in each case, with respect to any PILOT Document;

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(xxi) if (A) any Borrower Affiliated Tenant or any Borrower Affiliated Lease Guarantor shall make an assignment for the benefit of creditors; (B) a receiver, liquidator or trustee shall be appointed for any Borrower Affiliated Tenant or any Borrower Affiliated Lease Guarantor or if any Borrower Affiliated Tenant or any Borrower Affiliated Lease Guarantor shall be adjudicated as bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, any Borrower Affiliated Tenant or any Borrower Affiliated Lease Guarantor, or if any proceeding for the dissolution or liquidation of any Borrower Affiliated Tenant or any Borrower Affiliated Lease Guarantor shall be instituted, or if any Borrower Affiliated Tenant or any Borrower Affiliated Lease Guarantor is substantively consolidated with any other Person (including, without limitation, any substantive consolidation or other similar doctrine under the laws of any foreign jurisdiction, including, without limitation, any reconstruction, amalgamation, pooling and/or piercing the corporate veil under Australian law); provided, however, if such appointment, adjudication, petition, proceeding or consolidation was involuntary and not consented to by any Borrower Affiliated Tenant or any Borrower Affiliated Lease Guarantor, upon the same not being discharged, stayed or dismissed within forty-five (45) days following its filing; (C) any Borrower Affiliated Lease Default Event occurs; (D) Borrower Affiliated Lease Guarantor shall be in monetary or material non-monetary default pursuant to the applicable Borrower Affiliated Lease Guaranty following any applicable cure period expressly set forth in such Borrower Affiliated Lease Guaranty, but without taking into account any requirement to deliver any applicable notice of such default; (E) any Borrower Affiliated Lease and/or any Borrower Affiliated Lease Guaranty shall terminate, be cancelled, or otherwise fail to be in full force and/or effect; (F) there is any assignment or sublease of any Borrower Affiliated Lease without Lender's prior written approval; (G) there is any assignment by any Borrower Affiliated Lease Guarantor of its applicable Borrower Affiliated Lease Guaranty without Lender's prior written approval; (H) there is any renewal, amendment and/or modification of any Borrower Affiliated Lease without Lender's prior written approval; (I) there is any amendment and/or modification of any Borrower Affiliated Lease Guaranty without Lender's prior written approval; (I) there is any failure by Borrower to enforce the terms, covenants and conditions contained in any Borrower Affiliated Lease or any Borrower Affiliated Lease Guaranty upon the part of the Borrower Affiliated Tenant or Borrower Affiliated Lease Guarantor, as applicable, thereunder to be observed or performed; (J) the leasehold estate created by any Borrower Affiliated Lease shall be surrendered; (K) there is any breach of Section 4.11 hereof with respect to any Borrower Affiliated Lease and/or Borrower Affiliated Lease Guaranty; and/or (L) there is any failure by any Borrower Affiliated Tenant to promptly vacate the Property if requested by Lender following a Borrower Affiliated Lease Default Event and/or Event of Default;

(xxii) if there shall be a default under any of the other Loan Documents beyond any applicable cure periods contained in such Loan Documents, whether as to Borrower, Guarantor or the Property, or if any other such event shall occur or condition shall exist, if the effect of such event or condition is to accelerate the maturity of any portion of the Obligations or to permit Lender to accelerate the maturity of all or any portion of the Obligations;

(xxiii) Guarantor breaches any of the Guarantor Financial Covenants, except to the extent that (1) within five (5) Business Days of the occurrence of such default, Borrower delivers a written notice to Lender of Borrower's intention to provide an Acceptable Additional Guarantor, together with the Acceptable Additional Guarantor Information, and (2) within ten (10) Business Days following Lender's approval of the Acceptable Additional Guarantor, the Acceptable Additional Guarantor shall execute a supplemental guaranty of recourse obligations and environmental indemnity (each in form and substance substantially identical to the Guaranty and Environmental Indemnity, provided, however, for the avoidance of doubt, that such Acceptable Additional Guarantor shall be required to satisfy the applicable Liquid Asset and Net Worth covenants with only assets located in the United States and/or Canada) whereby such Acceptable Additional Guarantor shall assume all of the obligations of Guarantor pursuant thereto (on a joint and several basis with the then existing Guarantor). Borrower hereby acknowledges and agrees that, it shall be an Event of Default hereunder if, (A) the Acceptable Additional Guarantor is not approved by Lender (based on Lender's reasonable determination) or (B) any of the foregoing requirements are not satisfied within the time frame provided for above. Borrower further acknowledges and agrees that no more than two (2) Acceptable Additional Guarantors shall be permitted during the Term, at any time, or from time to time;

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(xxiv) if Borrower fails to establish a new Clearing Account and enter into a new clearing account agreement in accordance with Section 6.1 hereof on or prior to the termination of any existing Clearing Account Agreement; or

(xxv) if any of the terms, covenants or conditions of any Lease Sweep Lease shall in any manner be modified, changed, supplemented, altered or amended or if any Lease Sweep Lease shall be terminated or surrendered, in any case without the consent of Lender except as otherwise permitted by this Agreement; or

(xxvi) if Borrower or Guarantor(s) shall continue to be in Default under any of the other terms, covenants or conditions of this Agreement or any other Loan Document not specified in subsections (i) to (xxv) above, and such Default shall continue for ten (10) days after notice to Borrower from Lender, in the case of any such Default which can be cured by the payment of a sum of money, or for thirty (30) days after notice to Borrower from Lender in the case of any other such Default; provided, however, that if such non-monetary Default is susceptible of cure but cannot reasonably be cured within such 30-day period, and provided further that Borrower and/or Guarantor shall have commenced to cure such Default within such 30-day period shall and thereafter diligently and expeditiously proceed to cure the same, such 30-day period shall be extended for such time as is reasonably necessary for Borrower and/or Guarantor in the exercise of due diligence to cure such Default, such additional period not to exceed sixty (60) days.

Section 8.2 Remedies.

8.2.1 Acceleration. Upon the occurrence of an Event of Default (other than an Event of Default described in clauses (vii), (viii) or (ix) of Section 8.1 above) and at any time thereafter, Lender may, in addition to any other rights or remedies available to it pursuant to this Agreement and the other Loan Documents or at law or in equity, take such action, without notice or demand (and Borrower hereby expressly waives any such notice or demand), that Lender deems advisable to protect and enforce its rights against Borrower and in and to the Property, including declaring the Obligations to be immediately due and payable, and Lender may enforce or avail itself of any or all rights or remedies provided in the Loan Documents against Borrower and the Property, including all rights or remedies available at law or in equity; and upon any Event of Default described in clauses (vii), (viii) or (ix) of Section 8.1 above, the Obligations of Borrower hereunder and under the other Loan Documents shall immediately and automatically become due and payable in full, without notice or demand, and Borrower hereby expressly waives any such notice or demand, anything contained herein or in any other Loan Document to the contrary notwithstanding.

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8.2.2 Remedies Cumulative. During the continuance of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to Lender against Borrower under this Agreement or any of the other Loan Documents executed and delivered by, or applicable to, Borrower or at law or in equity may be exercised by Lender at any time and from time to time, whether or not all or any of the Obligations shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Loan Documents with respect to the Property. The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against Borrower pursuant to this Agreement or the other Loan Documents, or existing at law or in equity or otherwise. Lender's rights, powers and remedies may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of Lender permitted by law or contract or as set forth herein or in the other Loan Documents or by equity. Without limiting the generality of the foregoing, if an Event of Default is continuing (i) Lender shall not be subject to any "one action" or "election of remedies" law or rule, and (ii) all Liens and other rights, remedies or privileges provided to Lender shall remain in full force and effect until Lender has exhausted all of its remedies against the Property and the Mortgage has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Obligations or the Obligations have been paid in full. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Default or Event of Default with respect to Borrower shall not be construed to be a waiver of any subsequent Default or Event of Default by Borrower or to impair any remedy, right or power consequent thereon.

8.2.3 Severance.

(a) During the continuance of an Event of Default, Lender shall have the right from time to time to partially foreclose the Mortgage in any manner and for any amounts secured by the Mortgage then due and payable as determined by Lender in its sole discretion, including the following circumstances: (i) in the event Borrower defaults beyond any applicable grace period in the payment of one or more scheduled payments of principal and interest, Lender may foreclose the Mortgage to recover such delinquent payments, or (ii) in the event Lender elects to accelerate less than the entire Outstanding Principal Balance, Lender may foreclose the Mortgage to recover so much of the principal balance of the Loan as Lender may accelerate and such other sums secured by the Mortgage as Lender may elect. Notwithstanding one or more partial foreclosures, the Property shall remain subject to the Mortgage to secure payment of the sums secured by the Mortgage and not previously recovered.

(b) During the continuance of an Event of Default, Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages and other security documents in such denominations as Lender shall determine in its sole discretion. Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof; provided, however, Lender shall not make or execute any such documents under such power until three (3) days after notice has been given to Borrower by Lender of Lender's intent to exercise its rights under such power.

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(c) During the continuance of an Event of Default, any amounts recovered from the Property or any other collateral for the Loan after an Event of Default may be applied by Lender toward the payment of any interest and/or principal of the Loan and/or any other amounts due under the Loan Documents, in such order, priority and proportions as Lender in its sole discretion shall determine.

8.2.4 Lender's Right to Perform. During the continuance of an Event of Default Lender may, but shall have no obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any covenant or obligation hereunder or under any of the Loan Documents or being deemed to have cured any Default or Event of Default hereunder, and without in any way limiting Lender's right to exercise any of its rights, powers or remedies as provided hereunder, or under any of the other Loan Documents, perform, or cause the performance of, any covenant or obligation of Borrower hereunder in such manner and to such extent as Lender determines in its sole discretion in each instance, and all costs, expenses, liabilities, penalties and fines of Lender incurred or paid in connection therewith shall be immediately due and payable by Borrower and shall be added to the Obligations (and to the extent permitted under applicable laws, secured by the Mortgage and the other Loan Documents) and in each case shall bear interest at the Default Rate for the period after the date incurred by or on behalf of Lender until the date of payment by Borrower to Lender.

ARTICLE 9

SALE AND SECURITIZATION OF MORTGAGE

Section 9.1 Sale of Mortgage and Securitization.

(a) Lender shall have the right (i) to sell or otherwise transfer the Loan or any portion thereof as a whole loan, (ii) to sell participation interests in the Loan, or (iii) to securitize the Loan or any portion thereof in a single asset securitization or in one or more pooled loan securitizations. (The transactions referred to in clauses (i), (ii) and (iii) are each hereinafter referred to as a "***Secondary Market Transaction***" and the transactions referred to in clause (iii) shall hereinafter be referred to as a "***Securitization***". Any certificates, notes or other securities issued in connection with a Secondary Market Transaction are hereinafter referred to as "***Securities***"). At Lender's election, each note and/or component comprising the Loan may be subject to one or more Secondary Market Transactions.

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(b) If requested by Lender, Borrower shall assist Lender in satisfying the market standards to which Lender customarily adheres or which may be required in the marketplace, by prospective investors, the Rating Agencies, applicable Legal Requirements and/or otherwise in the marketplace in connection with any Secondary Market Transactions, including to:

(i) (A) provide updated financial and other information with respect to the Property, the business operated at the Property, Borrower, Guarantor(s), any Borrower Affiliated Lease (including, without limitation, the PUREgraphite Lease), any Borrower Affiliated Tenant (including, without limitation, the PUREgraphite Tenant), any Borrower Affiliated Lease Guarantor (including, without limitation, the PUREgraphite Guarantor), any Borrower Affiliated Lease Guaranty (including, without limitation, the PUREgraphite Guaranty) and the Manager (if any), including, without limitation, the information set forth on **Exhibit B** attached hereto, (B) provide updated budgets and rent rolls (including itemized percentage of floor area occupied and percentage of aggregate base rent for each Tenant) relating to the Property, and (C) provide updated appraisals, market studies, environmental reviews and reports (Phase I's and, if appropriate, Phase II's), property condition reports and other due diligence investigations of the Property (the "***Updated Information***"), together, if customary, with appropriate verification of the Updated Information through letters of auditors or opinions of counsel acceptable to Lender and the Rating Agencies;

(ii) provide opinions of counsel, which may be relied upon by Lender, trustee in any Securitization, underwriters, NRSROs and their respective counsel, agents and representatives, as to non-consolidation, fraudulent conveyance and true sale or any other opinion customary in Secondary Market Transactions or required by the Rating Agencies with respect to the Property, the Loan Documents, and Borrower and its Affiliates, which counsel and opinions shall be satisfactory to Lender and the Rating Agencies and which may include additional opinions regarding Australian Persons and/or Australian assets as may be requested by the Rating Agencies and/or reasonably requested by Lender;

(iii) provide updated, as of the closing date of any Secondary Market Transaction, representations and warranties made in the Loan Documents and such additional representations and warranties as the Rating Agencies may require; and

(iv) (A) review any Disclosure Document or any interim draft thereof furnished by Lender to Borrower with respect to information contained therein that was furnished to Lender by or on behalf of Borrower in connection with the preparation of such Disclosure Document or in connection with the underwriting or closing of the Loan, including financial statements of Borrower and Guarantor, operating statements and rent rolls with respect to the Property, and (B) within three (3) Business Days following Borrower's receipt thereof, provide to Lender in writing any revisions to such Disclosure Document or interim draft thereof necessary or advisable to insure that such reviewed information does not contain any untrue statement of a material fact or omit to state any material fact necessary to make statements contained therein not misleading.

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(c) If, at the time a Disclosure Document is being prepared for a Securitization, Lender expects that Borrower alone or Borrower and one or more Affiliates of Borrower (including any guarantor or other Person that is directly or indirectly committed by contract or otherwise to make payments on all or a part of the Loan) collectively, or the Property alone or the Property and Related Properties collectively, will be a Significant Obligor, Borrower shall furnish to Lender upon request the following financial information:

(i) if Lender expects that the principal amount of the Loan together with any Related Loans, as of the cut-off date for such Securitization, may equal or exceed ten percent (10%) (but less than twenty percent (20%)) of the aggregate principal amount of all mortgage loans included or expected to be included in the Securitization, net operating income for the Property and the Related Properties for the most recent Fiscal Year and interim period as required under Item 1112(b)(1) of Regulation AB (or, if the Loan is not treated as a non-recourse loan under Instruction 3 for Item 1101(k) of Regulation AB, selected financial data meeting the requirements and covering the time periods specified in Item 301 of Regulation S-K and Item 1112(b)(1) of Regulation AB), or

(ii) if Lender expects that the principal amount of the Loan together with any Related Loans, as of the cut-off date for such Securitization, may equal or exceed twenty percent (20%) of the aggregate principal amount of all mortgage loans included or expected to be included in the Securitization, the financial statements required under Item 1112(b)(2) of Regulation AB (which includes, but may not be limited to, a balance sheet with respect to the entity that Lender determines to be a Significant Obligor for the two most recent Fiscal Years and applicable interim periods, meeting the requirements of Rule 3-01 of Regulation S-X, and statements of income and statements of cash flows with respect to the Property for the three most recent Fiscal Years and applicable interim periods, meeting the requirements of Rule 3-02 of Regulation S-X (or if Lender determines that the Property is the Significant Obligor and the Property (other than properties that are hotels, nursing homes, or other properties that would be deemed to constitute a business and not real estate under Regulation S-X or other legal requirements) was acquired from an unaffiliated third party and the other conditions set forth in Rule 3-14 of Regulation S-X have been met, the financial statements required by Rule 3-14 of Regulation S-X)).

(d) Further, if requested by Lender, Borrower shall, promptly upon Lender's request, furnish to Lender financial data or financial statements meeting the requirements of Item 1112(b)(1) or (2) of Regulation AB, as specified by Lender, for any Tenant of the Property (to the extent available to Borrower) if, in connection with a Securitization, Lender expects there to be, as of the cutoff date for such Securitization, a concentration with respect to such Tenant or group of affiliated Tenants within all of the mortgage loans included or expected to be included in the Securitization such that such Tenant or group of affiliated Tenants would constitute a Significant Obligor. Borrower shall furnish to Lender, in connection with the preparation of the Disclosure Documents and on an ongoing basis, financial data and/or financial statements with respect to such Tenants meeting the requirements of Item 1112(b)(1) or (2) of Regulation AB, as specified by Lender, but only for so long as such entity or entities are a Significant Obligor and either (x) filings pursuant to the Exchange Act in connection with or relating to the Securitization (an "***Exchange Act Filing***") are required to be made under applicable Legal Requirements or (y) comparable information is required to otherwise be "available" to holders of the Securities under Regulation AB or applicable Legal Requirements.

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(e) If Lender determines that Borrower alone or Borrower and one or more Affiliates of Borrower collectively, or the Property alone or the Property and Related Properties collectively, are a Significant Obligor, then Borrower shall furnish to Lender, on an ongoing basis, selected financial data or financial statements meeting the requirements of Item 1112(b)(1) or (2) of Regulation AB, as specified by Lender, but only for so long as such entity or entities are a Significant Obligor and either (x) Exchange Act Filings are required to be made under applicable Legal Requirements or (y) comparable information is required to otherwise be "available" to holders of the Securities under Regulation AB or applicable Legal Requirements.

(f) Any financial data or financial statements provided pursuant to this Section 9.1 shall be furnished to Lender within the following time periods:

(i) with respect to information requested in connection with the preparation of Disclosure Documents for a Securitization, within ten (10) Business Days after notice from Lender; and

(ii) with respect to ongoing information required under Section 9.1(d) and (e) above, (1) not later than thirty (30) days after the end of each fiscal quarter of Borrower and (2) not later than seventy-five (75) days after the end of each Fiscal Year of Borrower.

(g) If requested by Lender, Borrower shall provide Lender, promptly, and in any event within three (3) Business Days following Lender's request therefor, with any other or additional financial statements, or financial, statistical or operating information, as Lender shall reasonably determine to be required pursuant to Regulation S-K or Regulation S-X, as applicable, Regulation AB, or any amendment, modification or replacement thereto or other Legal Requirements relating to a Securitization or as shall otherwise be reasonably requested by the Lender.

(h) If requested by Lender, whether in connection with a Securitization or at any time thereafter during which the Loan and any Related Loans are included in a Securitization, Borrower shall provide Lender, promptly upon request, a list of Tenants (including all affiliates of such Tenants) that in the aggregate (1) occupy 10% or more (but less than 20%) of the total floor area of the improvements or represent 10% or more (but less than 20%) of aggregate base rent, and (2) occupy 20% or more of the total floor area of the improvements or represent 20% or more of aggregate base rent.

(i) All financial statements provided by Borrower pursuant to this Section 9.1(c), (d), (e) or (f) shall be prepared in accordance with GAAP, and shall meet the requirements of Regulation S-K or Regulation S-X, as applicable, Regulation AB, and other applicable Legal Requirements. All financial statements relating to a Fiscal Year shall be audited by Independent Accountants in accordance with generally accepted auditing standards, Regulation S-X or Regulation S-K, as applicable, Regulation AB, and all other applicable Legal Requirements, shall be accompanied by the manually executed report of the Independent Accountants thereon, which report shall meet the requirements of Regulation S-K or Regulation S-X, as applicable, Regulation AB, and all other applicable Legal Requirements, and shall be further accompanied by a manually executed written consent of the Independent Accountants, in form and substance acceptable to Lender, to the inclusion of such financial statements in any Disclosure Document and any Exchange Act Filing and to the use of the name of such Independent Accountants and the reference to such Independent Accountants as "experts" in any Disclosure Document and Exchange Act Filing (or comparable information is required to otherwise be available to holders of the Securities under Regulation AB or applicable Legal Requirements), all of which shall be provided at the same time as the related financial statements are required to be provided. All other financial statements shall be certified by the chief financial officer of Borrower, which certification shall state that such financial statements meet the requirements set forth in the first sentence of this paragraph.

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(j) In connection with any Secondary Market Transaction, Lender shall have the right, and Borrower hereby authorizes Lender, to disclose any and all information in Lender's possession regarding Borrower, Guarantor, any Manager, any tenants and provisions of any leases, the Property and/or the Loan in any Disclosure Document, in any promotional, pre-marketing materials or marketing materials that are prepared by or on behalf of Lender in connection with such Secondary Market Transaction or in connection with any oral or written presentation made by or on behalf of Lender, including without limitation, to any actual or potential investors and any Rating Agencies and other NRSROs.

Section 9.2 Securitization Indemnification.

(a) Borrower understands that certain of the Provided Information and other information provided to Lender by Borrower and its agents, counsel and representatives may be included in preliminary and final disclosure documents in connection with any Secondary Market Transaction, including a Securitization, including without limitation, an offering circular, a prospectus, a prospectus supplement, a private placement memorandum, a structural and collateral term sheet or any other offering document (each, a "***Disclosure Document***") (such Provided Information and such other information included in any Disclosure Document collectively, the "***Covered Disclosure Information***") and may also be included in filings with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "***Securities Act***"), or the Securities and Exchange Act of 1934, as amended (the "***Exchange Act***"), and may be made available to investors or prospective investors in the Securities, investment banking firms, NRSROs, accounting firms, law firms and other third-party advisory and service providers relating to any Secondary Market Transaction, including a Securitization. Borrower also understands that the findings and conclusions of any third-party due diligence report obtained by the Lender, the Issuer or the Securitization placement agent or underwriter may be made publicly available if required, and in the manner prescribed, by Section 15E(s)(4)(A) of the Exchange Act and any rules promulgated thereunder.

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(b) Borrower and Guarantor each hereby agrees to indemnify Lender (and for purposes of this Section 9.2, Lender shall include the initial lender, its successors and assigns, and their respective officers and directors) and each Person who controls the Lender within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "***Lender Group***"), the issuer of the Securities (the "***Issuer***" and for purposes of this Section 9.2, Issuer shall include its officers, director and each Person who controls the Issuer within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), and any placement agent or underwriter with respect to the Securitization, each of their respective officers and directors and each Person who controls the placement agent or underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "***Underwriter Group***") for any losses, claims, damages or liabilities (collectively, the "***Liabilities***") to which Lender, the Lender Group, the Issuer or the Underwriter Group may become subject insofar as the Liabilities arise out of, or are based upon, (A) any untrue statement or alleged untrue statement of any material fact contained in the Covered Disclosure Information, (B) the omission or alleged omission to state in the Covered Disclosure Information a material fact required to be stated therein or necessary in order to make the statements in the Covered Disclosure Information, in light of the circumstances under which they were made, not misleading in any material respect, except, in each case, that Borrower shall have no responsibility for (x) any statements contained in any Disclosure Document to which Borrower or its authorized representatives have objected in writing to Lender or that were derived from the Covered Disclosure Information to which Borrower or its authorized representative alerted Lender in writing of the relevant untrue statement or omission, (y) numbers which have been submitted by Borrower and adjusted by any Indemnified Person from those submitted by Borrower to the extent of such adjustment, and/or (z) any third-party report utilized in underwriting and originating the Loan whereby neither Borrower nor any Affiliate thereof had any role in the preparation thereof (with respect to the applicable information) and to the extent the applicable information therein is not derived from Provided Information, or (C) a breach of the representations and warranties made by Borrower in Section 3.1.31 of this Agreement (Full and Accurate Disclosure). Borrower also agrees to reimburse Lender, the Lender Group, the Issuer and/or the Underwriter Group for any legal or other expenses reasonably incurred by Lender, the Lender Group, the Issuer and/or the Underwriter Group in connection with investigating or defending the Liabilities. This indemnification provision will be in addition to any liability which Borrower may otherwise have. Borrower acknowledges and agrees that any Person that is included in the Lender Group, the Issuer and/or the Underwriter Group that is not a direct party to this Agreement shall be deemed to be a third-party beneficiary to this Agreement with respect to this Section 9.2(b). Within five (5) Business Days after Lender's written request, Borrower and Guarantor shall execute and deliver to Lender a separate indemnification and reimbursement agreement in favor of the Lender Group, the Issuer and the Underwriter Group in form and substance consistent with the indemnification and reimbursement obligations of Borrower under this Section 9.2(b). Notwithstanding the foregoing, the indemnification provided for under this Section 9.2(b) shall be effective whether or not an indemnification and reimbursement agreement described above is provided.

(c) In connection with any Exchange Act Filing or other reports containing comparable information that is required to be made "available" to holders of the Securities under Regulation AB or applicable Legal Requirements, Borrower agrees to (i) indemnify Lender, the Lender Group, the Issuer and the Underwriter Group for Liabilities to which Lender, the Lender Group, the Issuer and/or the Underwriter Group may become subject insofar as the Liabilities arise out of, or are based upon, an alleged untrue statement or alleged omission or an untrue statement or omission made in reliance upon, and in conformity with, the Covered Disclosure Information, and (ii) reimburse Lender, the Lender Group, the Issuer and/or the Underwriter Group for any legal or other expenses reasonably incurred by Lender, the Lender Group, the Issuer and/or the Underwriter Group in connection with defending or investigating the Liabilities.

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(d) Promptly after receipt by an indemnified party under this Section 9.2 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 9.2, notify the indemnifying party in writing of the commencement thereof, but the omission to so notify the indemnifying party will not relieve the indemnifying party from any liability which the indemnifying party may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to the indemnifying party. In the event that any action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel satisfactory to such indemnified party. After notice from the indemnifying party to such indemnified party pursuant to the immediately preceding sentence of this Section 9.2(d), such indemnifying party shall not pay for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there are any legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party at the cost of the indemnifying party. The indemnifying party shall not be liable for the expenses of more than one separate counsel unless an indemnified party shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to any other indemnified party. Without the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed), no indemnifying party shall settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not any indemnified party is an actual or potential party to such claim, action, suit or proceeding) unless the indemnifying party shall have given Lender reasonable prior written notice thereof and shall have obtained an unconditional release of each indemnified party hereunder from all liability arising out of such claim, action, suit or proceedings, and such settlement requires no statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of the Indemnified Party.

(e) In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 9.2(b) or (c) is for any reason held to be unenforceable as to an indemnified party in respect of any Liabilities (or action in respect thereof) referred to therein which would otherwise be indemnifiable under Section 9.2(b) or (c), the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Liabilities (or action in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) the Issuer's and Borrower's relative knowledge and access to information concerning the matter with respect to which the claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. Lender and Borrower hereby agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

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(f) The liabilities and obligations of both Borrower and Lender under this Section 9.2 shall survive the termination of this Agreement and the satisfaction and discharge of the Debt.

Section 9.3 Severance.

9.3.1 Severance Documentation. Lender, without in any way limiting Lender's other rights hereunder, in its sole and absolute discretion, shall have the right, at any time (whether prior to or after any sale, participation or Securitization of all or any portion of the Loan), to require Borrower to execute and deliver "component" notes and/or modify the Loan in order to create one or more senior and subordinate notes (i.e., an A/B or A/B/C structure) and/or one or more additional components of the Note or Notes (including the implementation of one or more New Mezzanine Loans (in accordance with Section 9.3.2 below)), reduce the number of components of the Note or Notes, revise the interest rate for each component, reallocate the principal balances of the Notes and/or the components, increase or decrease the monthly debt service payments for each component or eliminate the component structure and/or the multiple note structure of the Loan (including the elimination of the related allocations of principal and interest payments), provided that the Outstanding Principal Balance of all components immediately after the effective date of such modification equals the Outstanding Principal Balance immediately prior to such modification and the weighted average of the interest rates for all components immediately after the effective date of such modification equals the interest rate of the original Note immediately prior to such modification. At Lender's election, each note comprising the Loan may be subject to one or more Securitizations. Lender shall have the right to modify the Note and/or Notes and any components in accordance with this Section 9.3 and, provided that such modification shall comply with the terms of this Section 9.3, it shall become immediately effective.

9.3.2 New Mezzanine Loan Option. Lender, without in any way limiting Lender's other rights hereunder, in its sole and absolute discretion, shall have the right, at any time (whether prior to or after any Secondary Market Transaction), to create one or more mezzanine loans (each, a "***New Mezzanine Loan***"), to (i) establish different interest rates and to reallocate the Outstanding Principal Balance and Monthly Debt Service Payment Amount of the Loan to the Loan and such New Mezzanine Loan(s), (ii) require the payment of the Loan and any New Mezzanine Loan(s) in such order of priority as may be designated by Lender and (iii) modify the Debt Service Coverage Ratio covenants to provide for mortgage only and aggregate tests based on a calculation of each based on the Loan only balance and the aggregate balance of the Loan plus the New Mezzanine Loan(s); *provided*, that the outstanding principal balance of the Loan and such New Mezzanine Loan (s) immediately after the effective date of the creation of such New Mezzanine Loan(s) equals the Outstanding Principal Balance immediately prior to such modification, the weighted average of the interest rates for the Loan and such New Mezzanine Loan(s) immediately after the effective date of the creation of such New Mezzanine Loan(s) equals the interest rate of the original Note immediately prior to such modification and the combined Debt Service Coverage Ratio threshold equals the Debt Service Coverage Ratio threshold in the Low DSCR Period definition set forth herein. Borrower shall cause the formation of one or more special purpose, bankruptcy remote entities as required by Lender in order to serve as the borrower under any New Mezzanine Loan (each, a "***New Mezzanine Loan Borrower***") and the applicable organizational documents of Borrower shall be amended and modified as necessary or required in the formation of any New Mezzanine Loan Borrower.

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9.3.3 **Cooperation; Execution; Delivery**. Borrower shall reasonably cooperate with all reasonable requests of Lender in connection with this Section 9.3. If requested by Lender, Borrower shall promptly execute and deliver such documents as shall be required by Lender and any Rating Agency in connection with any modification or New Mezzanine Loan pursuant to this Section 9.3, all in form and substance satisfactory to Lender and satisfactory to any applicable Rating Agency, including, the severance of security documents if requested and/or, in connection with the creation of any New Mezzanine Loan: (i) execution and delivery of a promissory note and loan documents necessary to evidence such New Mezzanine Loan, (ii) execution and delivery of such amendments to the Loan Documents as are necessary in connection with the creation of such New Mezzanine Loan, (iii) delivery of opinions of legal counsel with respect to due execution, authority and enforceability of any modification documents or documents evidencing or securing any New Mezzanine Loan, as applicable and (iv) with respect to any New Mezzanine Loan, delivery of an additional Insolvency Opinion for the Loan and a substantive non-consolidation opinion; each as reasonably acceptable to Lender, prospective investors and/or the Rating Agencies. In the event Borrower fails to execute and deliver such documents to Lender within five (5) Business Days following such request by Lender, Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect such transactions, Borrower hereby ratifying all that such attorney shall do by virtue thereof. It shall be an Event of Default under this Agreement, the Note, the Mortgage and the other Loan Documents if Borrower fails to comply with any of the terms, covenants or conditions of this Section 9.3 after expiration of ten (10) Business Days after notice thereof.

ARTICLE 10

MISCELLANEOUS

Section 10.1 **Exculpation**. Subject to the qualifications below, Lender shall not enforce the liability and obligation of Borrower to perform and observe the Obligations contained in the Note, this Agreement, the Mortgage or the other Loan Documents by any action or proceeding wherein a money judgment shall be sought against Borrower, except that Lender may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Lender to enforce and realize upon its interest under the Note, this Agreement, the Mortgage and the other Loan Documents, or in the Property, the Gross Revenues or any other collateral given to Lender pursuant to the Loan Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Borrower only to the extent of Borrower's interest in the Property, in the Gross Revenues and in any other collateral given to Lender, and Lender, by accepting the Note, this Agreement, the Mortgage and the other Loan Documents, shall not sue for, seek or demand any deficiency judgment against Borrower in any such action or proceeding under or by reason of or under or in connection with the Note, this Agreement, the Mortgage or the other Loan Documents. The provisions of this Section 10.1 shall not, however, (a) constitute a waiver, release or impairment of any obligation evidenced or secured by any of the Loan Documents; (b) impair the right of Lender to name Borrower as a party defendant in any action or suit for foreclosure and sale under the Mortgage; (c) affect the validity or enforceability of any of the Loan Documents or any guaranty made in connection with the Loan or any of the rights and remedies of Lender thereunder; (d) impair the right of Lender to obtain the appointment of a receiver; (e) impair the enforcement of the Assignment of Leases; (f) impair the enforcement of the Environmental Indemnity; (g) constitute a prohibition against Lender to seek a deficiency judgment against Borrower in order to fully realize the security granted by the Mortgage or to commence any other appropriate action or proceeding in order for Lender to exercise its remedies against the Property; or (h) constitute a waiver of the right of Lender to enforce the liability and obligation of Borrower, by money judgment or otherwise, to the extent of any loss, damage, cost, expense, liability, claim or other obligation incurred by Lender (including attorneys' fees and costs reasonably incurred) arising out of or in connection with the following (all such liability and obligation of Borrower for any or all of the following being referred to herein as "***Borrower's Recourse Liabilities***"):

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(i) fraud, willful misconduct, misrepresentation or intentional failure to disclose a material fact by or on behalf of Borrower, Guarantor, any Affiliate of Borrower or Guarantor, or any of their respective agents or representatives in connection with the Loan;

(ii) the breach of any representation, warranty, covenant or indemnification provision in the Environmental Indemnity or in any other Loan Document concerning environmental laws, hazardous substances and/or asbestos and any indemnification of Lender with respect thereto in either document;

(iii) wrongful removal or destruction of any portion of the Property or damage to the Property caused by willful misconduct or gross negligence;

(iv) any physical waste of the Property;

(v) the forfeiture by Borrower of the Property, or any portion thereof, because of the conduct or purported conduct of criminal activity by Borrower or Guarantor or any of their respective agents or representatives in connection therewith, including by reason of any claim under the Racketeer Influenced and Corrupt Organizations Act (RICO);

(vi) the misappropriation or conversion by or on behalf of Borrower of (A) any Insurance Proceeds paid by reason of any loss, damage or destruction to the Property, or (B) any Awards or other amounts received in connection with the Condemnation of all or a portion of the Property, or (C) any Gross Revenues (including Rents, Insurance Proceeds, security deposits, advance deposits or any other deposits and Lease Sweep Lease Termination Payments and Lease Termination Payments) or (D) any other funds due under the Loan Documents, including, in connection with any of the foregoing, by reason of failure to comply with Section 6.1 hereof or breach of the Clearing Account Agreement or the Cash Management Agreement or (E) following the occurrence of the first Trigger Period, Borrower's failure to establish a Clearing Account pursuant to a Clearing Account Agreement as, when and to the extent required by Section 6.1 hereof;

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(vii) subject to Borrower's right to contest set forth in Section 4.3 hereof, failure to pay charges for labor or materials or other charges that can create Liens on any portion of the Property;

(viii) any security deposits, advance deposits or any other deposits collected with respect to the Property which are not delivered to Lender in accordance with the provisions of the Loan Documents;

(ix) the failure to pay Taxes or transfer taxes;

(x) failure to obtain and maintain the fully paid for Policies in accordance with Section 5.1.1 hereof, including, without limitation, any failure of the Borrower to obtain and maintain the Required Excess Flood Coverage Policy pursuant to and in accordance with Section 5.1.1(j) hereof;

(xi) if there is (A) any default by Borrower, any Borrower Affiliated Tenant (including, without limitation, PUREgraphite Tenant), and/or their respective successors and/or assigns under the PILOT Documents, (B) any surrender, termination, cancellation, modification, change, supplement, alteration or amendment of any PILOT Document, including, without limitation, in each case, any increase in Real Estate Taxes as a result of any of the foregoing, and/or (C) any breach of any representation, warranty and/or covenant set forth in Sections 3.1.34 and/or 4.15 hereof, in each case, with respect to any PILOT Document;

(xii) the failure of Manager (if any) to comply with the transition obligations under the applicable Assignment of Management Agreement;

(xiii) Borrower's indemnification of Lender set forth in Section 9.2 hereof;

(xiv) any cost or expense incurred by Lender in connection with the enforcement of its rights and remedies under this Section 10.1, under the Guaranty and/or under the Environmental Indemnity;

(xv) if (A) any Borrower Affiliated Lease Default Event occurs; (B) Borrower Affiliated Lease Guarantor shall be in monetary or material non-monetary default pursuant to the applicable Borrower Affiliated Lease Guaranty following any applicable cure period expressly set forth in such Borrower Affiliated Lease Guaranty, but without taking into account any requirement to deliver any applicable notice of such default; and/or (C) there is any failure by Borrower to enforce the terms, covenants and conditions contained in any Borrower Affiliated Lease or any Borrower Affiliated Lease Guaranty upon the part of the Borrower Affiliated Tenant or Borrower Affiliated Lease Guarantor, as applicable, thereunder to be observed or performed;

(xvi) if any Monthly OpEx Certification shall be false or misleading in any material respect;

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(i) any Borrower Affiliated Tenant files a voluntary petition under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law;

(ii) any Borrower Affiliated Tenant is substantively consolidated with any other Person (including, without limitation, any substantive consolidation or other similar doctrine under the laws of any foreign jurisdiction, including, without limitation, any reconstruction, amalgamation, pooling and/or piercing the corporate veil under Australian law); unless such consolidation was involuntary and not consented to by Borrower, Guarantor, any Borrower Affiliated Lease Guarantor, and/or such Borrower Affiliated Tenant and is discharged, stayed or dismissed within thirty (30) days following the occurrence of such consolidation;

(iii) the filing of an involuntary petition against any Borrower Affiliated Tenant under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law by any other Person in which Borrower, Guarantor, Borrower Affiliated Tenant or Borrower Affiliated Lease Guarantor colludes with or otherwise intentionally assists such Person, and/or Borrower, Guarantor, Borrower Affiliated Tenant or Borrower Affiliated Lease Guarantor solicits or causes to be solicited petitioning creditors for any involuntary petition against Borrower Affiliated Tenant by any Person;

(iv) any Borrower Affiliated Tenant files an answer consenting to, or otherwise acquiescing in, or joining in, any involuntary petition filed against it by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law;

(v) Borrower, Guarantor, any Borrower Affiliated Tenant or any Borrower Affiliated Lease Guarantor or any Affiliate, officer, director or representative which controls Borrower, Guarantor, Borrower Affiliated Tenant or Borrower Affiliated Lease Guarantor consents to, or acquiesces in, or joins in, an application for the appointment of a custodian, receiver, trustee or examiner for any Borrower Affiliated Tenant or any portion of the Property;

(vi) any Borrower Affiliated Tenant makes an assignment for the benefit of creditors or admits, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due;

(vii) any failure of the Property to have access to, and/or to be served by, the Affected Underground Utilities, any curtailment and/or interruption of the Affected Underground Utilities, and/or any breach of the covenants set forth in Section 4.38 hereto; and/or

(viii) any failure of the Required Excess Flood Coverage Policy to be in full force and effect prior to the date on which such Required Excess Flood Coverage Policy is obtained pursuant to and in accordance with Section 5.1.1(j) hereof.

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Notwithstanding anything to the contrary in this Agreement or any of the other Loan Documents, (A) Lender shall not be deemed to have waived any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the Bankruptcy Code to file a claim for the full amount of the Obligations or to require that all collateral shall continue to secure all of the Obligations owing to Lender in accordance with the Loan Documents, and (B) the Obligations shall be fully recourse to Borrower in the event that any of the following occur (each, a "***Springing Recourse Event***"):

(ix) a breach of the covenants set forth in Section 4.4 hereof;

(x) Borrower fails to obtain Lender's prior consent to any subordinate financing secured by the Property or other voluntary Lien encumbering the Property;

(xi) Borrower fails to obtain Lender's prior consent to any Transfer of the Property or any interest therein or any Transfer of any direct or indirect interest in Borrower, in either case as required by the Mortgage or this Agreement other than a Permitted Transfer;

(xii) any termination, rejection, cancellation, change, amendment, supplementation or other modification to or of the Ground Lease or any surrender of the leasehold estate created by the Ground Lease unless, in each case, such action was consented to by Lender in writing;

(xiii) Borrower files a voluntary petition under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law;

(xiv) Borrower is substantively consolidated with any other Person (including, without limitation, any substantive consolidation or other similar doctrine under the laws of any foreign jurisdiction, including, without limitation, any reconstruction, amalgamation, pooling and/or piercing the corporate veil under Australian law); *unless* such consolidation was involuntary and not consented to by Borrower or Guarantor and is discharged, stayed or dismissed within thirty (30) days following the occurrence of such consolidation;

(xv) the filing of an involuntary petition against Borrower under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law by any other Person in which Borrower and/or Guarantor colludes with or otherwise intentionally assists such Person, and/or Borrower and/or Guarantor solicits or causes to be solicited petitioning creditors for any involuntary petition against Borrower by any Person;

(xvi) Borrower files an answer consenting to, or otherwise acquiescing in, or joining in, any involuntary petition filed against it by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law;

(xvii) Borrower, Guarantor or any Affiliate, officer, director or representative which controls Borrower or Guarantor consents to, or acquiesces in, or joins in, an application for the appointment of a custodian, receiver, trustee or examiner for Borrower or any portion of the Property;

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(xviii) Borrower makes an assignment for the benefit of creditors or admits, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due;

(xix) if Guarantor (or any Person comprising Guarantor), Borrower or any Affiliate of any of the foregoing, in connection with any enforcement action or exercise or assertion of any right or remedy by or on behalf of Lender under or in connection with the Guaranty, the Note, the Mortgage or any other Loan Document, seeks a defense, judicial intervention or injunctive or other equitable relief of any kind, or asserts in a pleading filed in connection with a judicial proceeding any defense against Lender or any right in connection with any security for the Loan;

(xx) (A) Borrower voluntarily avails itself of the benefits of any Emergency Law or otherwise voluntarily exercises any right or option under any Emergency Law and (B) such Emergency Law either (X) permits (I) Borrower to defer payment of, or otherwise elect not to pay, any amounts as and when due under the Loan Documents or (II) Borrower to delay performance of, or otherwise elect not to perform, any non-monetary obligation of Borrower as and when required under the Loan Documents or (Y) prevents Lender, or requires Lender to forbear, from exercising (at such time or another time in the future) any one or more rights or remedies that, in the absence of such Emergency Law, could otherwise be available to Lender under the Loan Documents or applicable Legal Requirements;

(xxi) Borrower fails to comply promptly (and in any event within any applicable timeframe provided under the relevant Emergency Law) with any request made by Lender pursuant to an Emergency Law for Borrower to take any action that, in Lender's reasonable judgment, is necessary or reasonably necessary in order to permit Lender to exercise (at such time or another time in the future) any one or more rights or remedies that, in the absence of such Emergency Law, could otherwise be available to Lender under the Loan Documents or applicable Legal Requirements;

(xxii) any termination, rejection, cancellation, change, amendment, modification, release, surrender, supplementation or other modification to or of any Borrower Affiliated Lease or any Borrower Affiliated Lease Guaranty, any assignment or sublease by any Borrower Affiliated Tenant of its applicable Borrower Affiliated Lease, and/or any assignment by any Borrower Affiliated Lease Guarantor of its applicable Borrower Affiliated Lease Guaranty, in each case, unless the same was consented to by Lender in writing; or

(xxiii) there is any failure by any Borrower Affiliated Tenant to promptly vacate the Property if requested by Lender following a Borrower Affiliated Lease Default Event and/or Event of Default.

In addition, Borrower hereby guarantees and shall be fully personally liable for (without the benefit of any exculpation provision contained herein and/or in any other Loan Documents) (I) the payment in full of any and all amounts payable pursuant to Section 6(e) of the PILOT Agreement (all such liability and obligation of Borrower, the "***PILOT Clawback Liabilities***"), including, without limitation, any amounts payable thereunder on or following the date on which Lender, its designee or nominee, or any purchaser at a foreclosure sale, acquires title to the Property, whether by foreclosure, exercise of power of sale, acceptance of a deed-in-lieu of foreclosure, and (II) the payment in full of any and all deductibles with respect to the Policy maintained pursuant to Section 5.1.1(a)(i) hereof (except with respect to deductibles for windstorm or earthquake coverage) (all such liability and obligation of Borrower, the "***Insurance Deductible Liabilities***").

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Section 10.2 Survival; Successors and Assigns. This Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by Lender of the Loan and the execution and delivery to Lender of the Note, and shall continue in full force and effect so long as all or any of the Obligations are outstanding and unpaid unless a longer period is expressly set forth herein or in the other Loan Documents. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the legal representatives, successors and assigns of such party. All covenants, promises and agreements in this Agreement, by or on behalf of Borrower, shall inure to the benefit of the legal representatives, successors and assigns of Lender.

Section 10.3 Lender's Discretion; Rating Agency Review Waiver.

(a) Whenever pursuant to this Agreement Lender exercises any right given to it to approve or disapprove any matter, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove such matter or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the sole discretion of Lender and shall be final and conclusive. Prior to a Securitization, whenever pursuant to this Agreement the Rating Agencies are given any right to approve or disapprove any matter, or any arrangement or term is to be satisfactory to the Rating Agencies, the decision of Lender to approve or disapprove such matter or to decide whether arrangements or terms are satisfactory or not satisfactory, based upon Lender's determination of Rating Agency criteria, shall be substituted therefor.

(b) Whenever, pursuant to this Agreement or any other Loan Documents, a Rating Agency Confirmation is required from each applicable Rating Agency, in the event that any applicable Rating Agency "declines review", "waives review" or otherwise indicates in writing or otherwise to Lender's or Servicer's satisfaction that no Rating Agency Confirmation will or needs to be issued with respect to the matter in question (each, a "***Review Waiver***"), then the Rating Agency Confirmation requirement shall be deemed to be satisfied with respect to such matter. It is expressly agreed and understood, however, that receipt of a Review Waiver (i) from any one Rating Agency shall not be binding or apply with respect to any other Rating Agency and (ii) with respect to one matter shall not apply or be deemed to apply to any subsequent matter for which Rating Agency Confirmation is required.

(c) Prior to a Securitization or in the event that there is a Review Waiver, if Lender does not have a separate and independent approval right with respect to the matter in question, then the term Rating Agency Confirmation shall be deemed instead to require the prior written consent of Lender.

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Section 10.4 Governing Law.

(a) THIS AGREEMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY LENDER AND ACCEPTED BY BORROWER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE DELIVERED PURSUANT HERETO WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIEN AND SECURITY INTEREST CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED ACCORDING TO, THE LAW OF THE STATE, COMMONWEALTH OR DISTRICT, AS APPLICABLE, IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, COMMONWEALTH OR DISTRICT, AS APPLICABLE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT AND THE NOTE, AND THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. BORROWER DOES HEREBY DESIGNATE AND APPOINT:

NATIONAL REGISTERED AGENTS, INC.
28 LIBERTY STREET
NEW YORK, NY 10005

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AS ITS AUTHORIZED AGENT TO RECEIVE AND FORWARD ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND BORROWER AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO BORROWER IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. BORROWER (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH A SUBSTITUTE IF ITS AUTHORIZED AGENT CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST BORROWER IN ANY OTHER JURISDICTION.

Section 10.5 Modification, Waiver in Writing. No modification, amendment, extension, discharge, termination or waiver of any provision of this Agreement or of any other Loan Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party or parties against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on, Borrower shall entitle Borrower to any other or future notice or demand in the same, similar or other circumstances. Neither any failure nor any delay on the part of Lender in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege hereunder or under any other Loan Document, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, and not by way of limitation, by accepting payment after the due date of any amount payable under this Agreement or any other Loan Document, Lender shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under this Agreement or the other Loan Documents, or to declare a default for failure to effect prompt payment of any such other amount. Lender shall have the right to waive or reduce any time periods that Lender is entitled to under the Loan Documents in its sole and absolute discretion.

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Section 10.6 Notices. All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a "***Notice***") required, permitted or desired to be given hereunder shall be in writing and shall be sent by facsimile (with answer back acknowledged) or by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or by reputable overnight courier, or electronically transmitted by e-mail with hard copy delivered by hand or reputable overnight courier (unless waived by Agent as described below), addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 10.6. Any Notice shall be deemed to have been received: (a) three (3) days after the date such Notice is mailed, (b) on the date of sending by facsimile if sent during business hours on a Business Day (otherwise on the next Business Day), (c) on the date of delivery by hand if delivered during business hours on a Business Day (otherwise on the next Business Day), (d) on the next Business Day if sent by an overnight commercial courier and (e) if transmitted by e-mail, (A) if such e-mail was sent prior to 5 P.M. EST on a Business Day, then on the date such e-mail was sent, provided that a hard copy of such e-mail (and any and all attachments) is delivered by hand or reputable overnight courier on the immediately succeeding Business Day, or (y) if such e-mail was sent on a day that is not a Business Day or after 5 P.M. EST on a Business Day, then on the Business Day immediately succeeding the date such e-mail was sent, provided that a hard copy of such e-mail (and any and all attachments) is delivered by hand or reputable overnight courier on the second Business Day immediately following the date on which such e-mail was sent; provided, however, that by written notice to Borrower, Agent shall have the unilateral right at any time to waive the hard copy requirement with respect to all Notices sent via e-mail, in each case addressed to the parties as follows:

If to Lender:	DBR INVESTMENTS CO. LIMITED 60 Wall Street, 10th Floor New York, New York 10005 Attention: Peter DiConza Email: peter.diconza@db.com Robert W. Pettinato, Jr. Email: Robert.Pettinato@db.com Donna A. Corrigan Email: Donna-A.Corrigan@db.com Theresa Elle Email: Theresa.Elle@db.com Jeremy Crystal Email: Jeremy.Crystal@db.com Facsimile No. (212) 797-4489
and to:	DBR INVESTMENTS CO. LIMITED 60 Wall Street, 10th Floor New York, New York 10005 Attention: General Counsel Facsimile No. (646) 736-5721
with a copy to:	Alston & Bird LLP 90 Park Avenue New York, New York 10016 Attention: David A. Freedman, Esq. Email: David.Freedman@alston.com Facsimile No. (212) 210-9444
with a copy to:	Midland Loan Services, a PNC Real Estate business 10851 Mastin, Suite 700 Overland Park, KS 66210 (p) 913.253.9152 Attention: Jon Porter

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If to Borrower:

Novonix 1029, LLC
353 Corporate Place
Chattanooga, TN 37419
Attention: Chris Burns
Email: Chris@novonixgroup.com
Attention: Rashda Buttar
Email: Rashda@novonixgroup.com

with a copy to:

Miller & Martin PLLC
832 Georgia Avenue, Suite 1200
Chattanooga, TN 37402
Attention: Alan W. Madison
Email: alan.madison@millermartin.com
Facsimile No. 423.785.8480

Any party may change the address to which any such Notice is to be delivered by furnishing ten (10) days written notice of such change to the other parties in accordance with the provisions of this Section 10.6. Notices shall be deemed to have been given on the date as set forth above, even if there is an inability to actually deliver any such Notice because of a changed address of which no Notice was given, or there is a rejection or refusal to accept any Notice offered for delivery. Notice for any party may be given by its respective counsel. Additionally, Notice from Lender may also be given by Servicer and Lender hereby acknowledges and agrees that Borrower shall be entitled to rely on any Notice given by Servicer as if it had been sent by Lender.

Section 10.7 Waiver of Trial by Jury. BORROWER AND LENDER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN DOCUMENTS OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER.

Section 10.8 Headings, Schedules and Exhibits. The Article and/or Section headings and the Table of Contents in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. The Schedules and Exhibits annexed hereto are hereby incorporated herein as a part of this Agreement with the same effect as if set forth in the body hereof.

Section 10.9 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

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Section 10.10 Preferences. Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by Borrower to any portion of the Obligations of Borrower hereunder. To the extent Borrower makes a payment or payments to Lender, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the Obligations hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lender.

Section 10.11 Waiver of Notice. Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Agreement or the other Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Agreement or the other Loan Documents do not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section 10.12 Remedies of Borrower. In the event that a claim or adjudication is made that Lender or its agents have acted unreasonably or unreasonably delayed acting in any case where, by law or under this Agreement or the other Loan Documents, Lender or such agent, as the case may be, has an obligation to act reasonably or promptly, neither Lender nor its agents shall be liable for any monetary damages and Borrower's sole remedy shall be limited to commencing an action seeking injunctive relief or declaratory judgment. Any action or proceeding to determine whether Lender has acted reasonably shall be determined by an action seeking declaratory judgment.

Section 10.13 Offsets, Counterclaims and Defenses. Any assignee of Lender's interest in and to this Agreement and the other Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses which are unrelated to such documents which Borrower may otherwise have against any assignor of such documents, and no such unrelated counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon such documents and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

Section 10.14 No Joint Venture or Partnership; No Third Party Beneficiaries.

(a) Borrower and Lender intend that the relationships created hereunder and under the other Loan Documents be solely that of borrower and lender. Nothing herein or therein is intended to create a joint venture, partnership, tenancy-in-common or joint tenancy relationship between Borrower and Lender nor to grant Lender any interest in the Property other than that of mortgagee, beneficiary or lender.

(b) The Loan Documents are solely for the benefit of Lender and Borrower (and the Lender Group, the Issuer and the Underwriter Group with respect to Section 9.2(b)) and nothing contained in any Loan Document shall be deemed to confer upon anyone other than the Lender and Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained therein.

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Section 10.15 Publicity. All news releases, publicity or advertising by Borrower or its Affiliates through any media intended to reach the general public which refers to the Loan Documents or the financing evidenced by the Loan Documents, to Lender, the Affiliate of Lender that acts as the issuer with respect to a Securitization or any of their other Affiliates (x) shall be prohibited prior to the final Securitization of the Loan and (y) after the final Securitization of the Loan, shall be subject to the prior written approval of Lender. Lender shall have the right to issue any of the foregoing without Borrower's approval and Borrower authorizes Lender to issue press releases, advertisements and other promotional materials in connection with Lender's own promotional and marketing activities, including in connection with a Secondary Market Transaction, and such materials may describe the Loan in general terms or in detail and Lender's participation therein in the Loan.

Section 10.16 Waiver of Marshalling of Assets. To the fullest extent permitted by law, Borrower, for itself and its successors and assigns, waives all rights to a marshalling of the assets of Borrower, Borrower's members or partners, as applicable, and others with interests in Borrower, and of the Property, and shall not assert any right under any laws pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Property for the collection of the Obligations without any prior or different resort for collection, or of the right of Lender to the payment of the Obligations out of the net proceeds of the Property in preference to every other claimant whatsoever.

Section 10.17 Certain Waivers.

(a) Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by Lender or its agents or otherwise to offset any obligations to make the payments required by the Loan Documents. No failure by Lender to perform any of its obligations hereunder shall be a valid defense to, or result in any offset against, any payments which Borrower is obligated to make under any of the Loan Documents. Without limiting any of the other provisions contained herein, Borrower hereby unconditionally and irrevocably waives, to the maximum extent not prohibited by applicable law, any rights it may have to claim or recover against Lender in any legal action or proceeding any special, exemplary, punitive or consequential damages.

(b) To the fullest extent permitted by applicable Legal Requirements, Borrower hereby irrevocably waives and relinquishes any right, remedy, claim or defense that Borrower may have, or have the right to assert, in order to avail itself of the benefits of any Emergency Law, or otherwise exercise any right or option under any Emergency Law, where such Emergency Law (A) permits (x) Borrower to defer payment of, or otherwise elect not to pay, any amounts as and when due under the Loan Documents and/or (y) Borrower to delay performance of, or otherwise elect not to perform, any non-monetary obligation of Borrower as and when required under the Loan Documents and/or (B) prevents Lender, or requires Lender to forbear, from exercising (at such time or another time in the future) any one or more rights or remedies that, in the absence of such Emergency Law, could otherwise be available to Lender under the Loan Documents or applicable Legal Requirements.

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Section 10.18 Conflict; Construction of Documents; Reliance. In the event of any conflict between the provisions of this Agreement and any of the other Loan Documents, the provisions of this Agreement shall control. The parties hereto acknowledge that they were represented by competent counsel in connection with the negotiation, drafting and execution of the Loan Documents and that such Loan Documents shall not be subject to the principle of construing their meaning against the party which drafted same. Borrower acknowledges that, with respect to the Loan, Borrower shall rely solely on its own judgment and advisors in entering into the Loan, without relying in any manner on any statements, representations or recommendations of Lender or any parent, subsidiary or affiliate of Lender. Lender shall not be subject to any limitation whatsoever in the exercise of any rights or remedies available to it under any of the Loan Documents or any other agreements or instruments which govern the Loan by virtue of the ownership by it or any parent, subsidiary or affiliate of Lender of any equity interest any of them may acquire in Borrower, and Borrower hereby irrevocably waives the right to raise any defense or take any action on the basis of the foregoing with respect to Lender's exercise of any such rights or remedies. Borrower acknowledges that Lender engages in the business of real estate financings and other real estate transactions and investments which may be viewed as adverse to or competitive with the business of Borrower or its Affiliates.

Section 10.19 Brokers and Financial Advisors.

(a) Borrower hereby represents that, except for Newmark Knight Frank ("***Broker***"), it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Agreement. Borrower will pay Broker a commission pursuant to a separate agreement. Borrower shall indemnify, defend and hold Lender harmless from and against any and all claims, liabilities, losses, costs and expenses of any kind (including Lender's attorneys' fees and expenses) in any way relating to or arising out of a claim by any Person (including Broker) that such Person acted on behalf of Borrower or Lender in connection with the transactions contemplated herein. The provisions of this Section 10.19 shall survive the expiration and termination of this Agreement and the payment of the Obligations.

(b) Notwithstanding anything in clause (a) above to the contrary, Borrower hereby acknowledges that (i) at Lender's sole discretion, Broker may receive further consideration from Lender relating to the Loan or any other matter for which Lender may elect to compensate Broker pursuant to a separate agreement between Lender and Broker (which compensation may include a one-time payment on the Closing Date, a profit sharing payment and/or ongoing payments from Lender to Broker), (ii) Lender shall have no obligation to disclose to Borrower the existence of any such agreement or the amount of any such additional consideration paid or to be paid to Broker whether in connection with the Loan or otherwise and (iii) Borrower has had the opportunity to speak with Broker regarding such additional consideration. Borrower hereby acknowledges that such additional consideration may create a potential conflict of interest for the Broker in its relationship with Borrower and/or Guarantor and agrees that (x) Lender is not responsible for any recommendations or advice that Broker has given to Borrower or Guarantor, (y) Lender and Borrower (and Guarantor) are dealing at arms'-length with each other in a commercial lending transaction and (z) no fiduciary or other special relationship exists or shall exist between them. Borrower hereby further agrees and acknowledges that Lender has not interfered with Broker's relationship with Borrower or Guarantor in connection with the transaction contemplated herein and has not caused Broker to breach any duty that it may owe Borrower or Guarantor.

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Section 10.20 Prior Agreements. This Agreement and the other Loan Documents contain the entire agreement of the parties hereto and thereto and their respective affiliates in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, including any confidentiality agreements or any similar agreements between or among any such parties, whether oral or written, are superseded by the terms of this Agreement and the other Loan Documents.

Section 10.21 Servicer.

(a) At the option of Lender, the Loan may be serviced by a servicer or special servicer (the "***Servicer***") selected by Lender and Lender may delegate all or any portion of its responsibilities under this Agreement and the other Loan Documents to the Servicer pursuant to a servicing agreement (the "***Servicing Agreement***") between Lender and Servicer. Borrower shall not be responsible for any set-up fees or any other initial costs relating to or arising under the Servicing Agreement. Borrower shall not be responsible for payment of the monthly master servicing fee due to the Servicer under the Servicing Agreement.

(b) Other than as set forth in Section 10.21(a) above, Borrower shall pay all of the fees and expenses of the Servicer and any reasonable third-party fees and expenses in connection with the Loan, including any prepayments, releases of the Property, approvals under the Loan Documents requested by Borrower, other requests under the Loan, defeasance, assumption of Borrower's obligations or modification of the Loan, as well as any fees and expenses in connection with the special servicing or work-out of the Loan or enforcement of the Loan Documents, including, special servicing fees, operating or trust advisor fees (if the Loan is a specially serviced loan or in connection with a workout), work-out fees, liquidation fees, attorneys' fees and expenses and other fees and expenses in connection with the modification or restructuring of the Loan. All amounts payable to Lender or Servicer in exercising its rights under this Section 10.21 (including, but not limited to, disbursements, advances and reasonable legal expenses incurred in connection therewith), shall be payable upon demand, secured by this Agreement and interest thereon shall accrue at the Interest Rate (or Default Rate if an Event of Default then exists) from the date incurred.

Section 10.22 Joint and Several Liability. If more than one Person has executed this Agreement as "***Borrower***," the representations, covenants, warranties and obligations of all such Persons hereunder shall be joint and several.

Section 10.23 Creation of Security Interest. Notwithstanding any other provision set forth in this Agreement, the Note, the Mortgage or any of the other Loan Documents, Lender may at any time create a security interest in all or any portion of its rights under this Agreement, the Note, the Mortgage and any other Loan Document (including the advances owing to it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

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Section 10.24 Regulatory Change; Taxes.

10.24.1 Increased Costs. If as a result of any Regulatory Change or compliance of Lender therewith, the basis of taxation of payments to Lender or any company Controlling Lender of the principal of or interest on the Loan is changed or Lender or the company Controlling Lender shall be subject to (i) any tax, duty, charge or withholding of any kind with respect to this Agreement (excluding federal taxation of the overall net income of Lender or the company Controlling Lender); or (ii) any reserve, special deposit or similar requirements relating to any extensions of credit or other assets of, or any deposits with or other liabilities, of Lender or any company Controlling Lender is imposed, modified or deemed applicable; or (iii) any other condition affecting loans to borrowers subject to LIBOR-based interest rates existing or that are imposed on Lender or any company Controlling Lender and Lender determines that, by reason thereof, the cost to Lender or any company Controlling Lender of making, maintaining or extending the Loan to Borrower is increased, or any amount receivable by Lender or any company Controlling Lender hereunder in respect of any portion of the Loan to Borrower is reduced, in each case by an amount deemed by Lender in good faith to be material (such increases in cost and reductions in amounts receivable being herein called "***Increased Costs***"), then Lender shall provide notice thereof to Borrower and Borrower agrees to pay to Lender upon Lender's written request such additional amount or amounts as will compensate Lender or any company Controlling Lender for such Increased Costs to the extent Lender determines that such Increased Costs are allocable to the Loan. If Lender requests compensation under this Section 10.24.1, Lender shall, if requested by notice by Borrower to Lender, furnish to Borrower a statement setting forth the basis for requesting such compensation and the method for determining the amount thereof.

10.24.2 Special Taxes. Borrower shall make all payments hereunder free and clear of and without deduction for Special Taxes. If Borrower shall be required by law to deduct any Special Taxes from or in respect of any sum payable hereunder or under any other Loan Document to Lender, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 10.24.2) Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions, and (iii) Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

10.24.3 Other Taxes. In addition, Borrower agrees to pay any present or future stamp or documentary taxes or other excise or property taxes, charges, or similar levies which arise from any payment made hereunder, or from the execution, delivery or registration of, or otherwise with respect to, this Agreement, the other Loan Documents, or the Loan (hereinafter referred to as "***Other Taxes***").

Section 10.25 Assignments and Participations. In addition to any other rights of Lender hereunder, the Loan, the Note, the Loan Documents and/or Lender's rights, title, obligations and interests therein may be sold, assigned, participated or otherwise transferred by Lender and any of its successors and assigns to any Person at any time in its sole and absolute discretion, in whole or in part, whether by operation of law (pursuant to a merger or other successor in interest) or otherwise without notice to or consent from Borrower or any other Person. Upon such assignment, all references to Lender in this Agreement and in any Loan Document shall be deemed to refer to such assignee or successor in interest and such assignee or successor in interest shall thereafter stand in the place of Lender in all respects. Except as expressly permitted herein, Borrower may not assign its rights, title, interests or obligations under this Agreement or under any of the Loan Documents.

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Section 10.26 Acknowledgement and Consent to Bail-In of EEA Financial Institutions.

(a) Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among the respective parties thereto, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(ii) the effects of any Bail-In Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

(b) As used in this Section 10.26 the following terms have the following meanings ascribed thereto: (i) "***Bail-In Action***" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution; (ii)"***Bail-In Legislation***" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule; (iii) "***EEA Financial Institution***" means (x) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority; (y) any entity established in an EEA Member Country which is a parent of an institution described in clause (x) of this definition, or (x) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (x) or (y) of this definition and is subject to consolidated supervision with its parent; (iv) "***EEA Member Country***" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway or any other member state of the European Economic Area; (v) "***EEA Resolution Authority***" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution; (vi) "***EU Bail-In Legislation Schedule***" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time; and (vii) "***Write-Down and Conversion Powers***" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

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Section 10.27 Appraisals. Lender may, at its option, commission one or more new and/or updated appraisals from time to time after the Closing Date; provided, however, that Borrower shall only be required to reimburse Lender for such new and/or updated appraisal if (A) an Event of Default is continuing or (B) such appraisal is required by applicable law or regulatory requirements.

Section 10.28 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

Section 10.29 Set-Off. In addition to any rights and remedies of Lender provided by this Agreement and by law, Lender shall have the right in its sole discretion, without prior notice to Borrower, any such notice being expressly waived by Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by Lender or any Affiliate thereof to or for the credit or the account of Borrower; provided however, Lender may only exercise such right during the continuance of an Event of Default. Lender agrees promptly to notify Borrower after any such set-off and application made by Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

[*NO FURTHER TEXT ON THIS PAGE*]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives, all as of the day and year first above written.

LENDER:

DBR INVESTMENTS CO. LIMITED, a Cayman Islands corporation

By: _____
Name: PAUL K RICHARDSON
Title: Director

By: _____
Name: Murray Mackinnon
Title: Director

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

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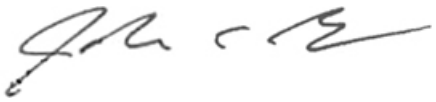
BORROWER:

NOVONIX 1029, LLC, a Delaware limited liability company

By: 

Name: Chris Bums
Title: CEO

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SCHEDULE I

RENT ROLL

(Attached)

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SCHEDULE I

RENT ROLL

Tenant Name	Monthly Rent	Square Feet	Percentage of Floor area	Rent Per Square Feet	Lease Starting Date	Lease Expiration Date	Deposits Held
PUREGraphite, LLC	$227,250	404,797	100%	0.56/mth $6.74/yr	July [28], 2021	August 6, 2036	$0.00

Exceptions

None.

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SCHEDULE II

REQUIRED REPAIRS

Required Repair Item*	Deadline	Cost Estimate
Repair roof leaks	Ninety (90) Days from the Closing Date	$3,000
Replace rubber roof expansion joint	Ninety (90) Days from the Closing Date	$5,100
Address fire sprinkler system requirements and non-compliance / out-of-service issues	Ninety (90) Days from the Closing Date	$7,500
Address trouble message and issues with FACP non-compliance inspection tag	Ninety (90) Days from the Closing Date	$7,500
Total:		$23,100

* - In each case, as more particularly described in the Property Condition Report

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SCHEDULE III

ORGANIZATIONAL CHART

(Attached)

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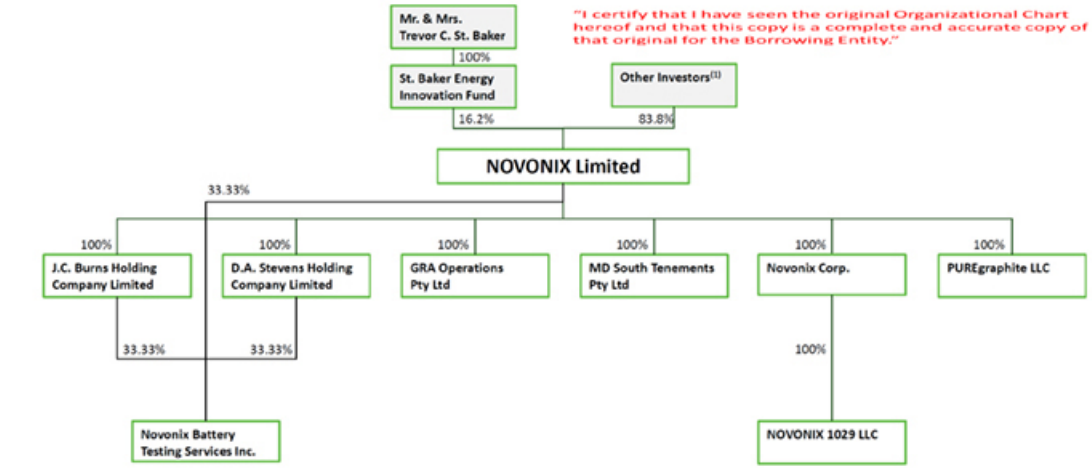
Current NVX Group Structure



"I certify that I have seen the original Organizational Chart hereof and that this copy is a complete and accurate copy of that original for the Borrowing Entity."

NOVONIX

ASX: NVX OTCQX: NVNXF

(1) No other investor has an ownership stake of 10% or more in NOVONIX

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SCHEDULE IV

EXCEPTIONS TO REPRESENTATIONS AND WARRANTIES

None.

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SCHEDULE V

DEFINITION OF SPECIAL PURPOSE BANKRUPTCY REMOTE ENTITY

Borrower hereby represents and warrants to, and covenants with, Lender that since the date of its formation and at all times on and after the date hereof and until such time as the Obligations shall be paid and performed in full:

(a) Borrower (i) has been, is, and will be organized solely for the purpose of acquiring, developing, owning, holding, selling, leasing, transferring, exchanging, managing and operating the Property, entering into this Agreement with the Lender, refinancing the Property in connection with a permitted repayment of the Loan, and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing, (ii) has not owned, does not own, and will not own any asset or property other than (A) the Property, and (B) incidental personal property necessary for the ownership or operation of the Property and (iii) has been, is, and will be organized for the purpose of investing the equity capital that was contributed to Borrower by the Sole Member of Borrower in compliance with the provisions of this **Schedule V**. No equity capital was raised by Borrower. For the avoidance of doubt, there has been no direct or indirect commercial activity by the Borrower or a person or entity acting on its behalf to procure the transfer or commitment of capital by the Sole Member of the Borrower for the purpose of investing it in accordance with the provisions of this **Schedule V**.

(b) Borrower has not engaged and will not engage in any business other than the ownership, management and operation of the Property and Borrower will conduct and operate its business as presently conducted and operated.

(c) Borrower has not and will not enter into any contract or agreement with any Affiliate of Borrower, except upon terms and conditions that are intrinsically fair, commercially reasonable, and no less favorable to it than would be available on an arms-length basis with third parties other than any such party.

(d) Borrower has not incurred and will not incur any Indebtedness other than Permitted Indebtedness.

(e) Borrower has not made and will not make any loans or advances to any third party (including any Affiliate or constituent party), and has not and shall not acquire obligations or securities of its Affiliates.

(f) Borrower has been, is, and intends to remain solvent and Borrower has paid and intends to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets; provided that the foregoing shall not require any direct or indirect member, partner or shareholder of Borrower to make any additional capital contributions to Borrower.

(g) Borrower has done or caused to be done, and will do, all things necessary to observe organizational formalities and preserve its existence, and Borrower has not and will not (i) terminate or fail to comply with the provisions of its organizational documents, or (ii) unless (A) Lender has consented and (B) following a Securitization of the Loan, the applicable Rating Agencies have issued a Rating Agency Confirmation, amend, modify or otherwise change its operating agreement or other organizational documents, provided that Borrower may make ministerial amendments to its organizational documents solely to the extent that such amendments (x) are not related to Borrower's status as a Special Purpose Bankruptcy Remote Entity and do not cause Borrower to breach Section 4.4 hereof, (y) could not reasonably be anticipated to result in a material adverse effect on (A) the Property or any material portion thereof, (B) the business, profits, operations or financial condition of Borrower or the Guarantor, (C) the enforceability, validity, perfection or priority of the lien of the Mortgage or the other Loan Documents, or (D) the ability of Borrower and/or Guarantor to perform their respective obligations under the Mortgage or the other Loan Documents, and (z) do not otherwise breach any other term or covenant contained in the Loan Documents.

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(h) Except to the extent that Borrower is (i) required to file consolidated tax returns by law; or (ii) treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law, (1) Borrower has maintained and will maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates and any other Person; (2) Borrower's assets will not be listed as assets on the financial statement of any other Person; it being understood that Borrower's assets may be included in a consolidated financial statement of its Affiliates provided that (i) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of Borrower and such Affiliates and to indicate that Borrower's assets and credit are not available to satisfy the debts and other obligations of such Affiliates or any other Person, and (ii) such assets shall be listed on Borrower's own separate balance sheet; and (3) Borrower will file its own tax returns (to the extent Borrower is required to file any tax returns) and will not file a consolidated federal income tax return with any other Person. Borrower has maintained and shall maintain its books, records, resolutions and agreements in accordance with this Agreement.

(i) Borrower has been, will be, and at all times has held and will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate of Borrower or any constituent party of Borrower (recognizing that Borrower may be treated as a "disregarded entity" for tax purposes and is not required to file tax returns for tax purposes under applicable law)), shall correct any known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, shall not identify itself or any of its Affiliates as a division or department or part of the other and shall, to the extent reasonably necessary for the operation of its business, maintain and utilize separate stationery, invoices and checks bearing its own name.

(j) Borrower has maintained and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; provided that the foregoing shall not require any direct or indirect member, partner or shareholder of Borrower to make any additional capital contributions to Borrower.

(k) (x) Neither Borrower nor any constituent party of Borrower has sought or will seek or effect the liquidation, dissolution, winding up, division (whether pursuant to Section 18-217 of the Act or otherwise), consolidation or merger, in whole or in part, of Borrower and (y) Borrower has not been the product of, the subject of or otherwise involved in, in each case, any limited liability company division (whether as a plan of division pursuant to Section 18-217 of the Act or otherwise).

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(l) Borrower has not and will not commingle the funds and other assets of Borrower with those of any Affiliate or constituent party or any other Person, and has held and will hold all of its assets in its own name.

(m) Borrower has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate or constituent party or any other Person.

(n) Borrower has not and will not assume or guarantee or become obligated for the debts of any other Person and does not and will not hold itself out to be responsible for or have its credit available to satisfy the debts or obligations of any other Person.

(o) The organizational documents of Borrower shall provide that the business and affairs of Borrower shall be (A) managed by or under the direction of a board of one or more directors designated by Borrower's sole member (the "***Sole Member***") or (B) a committee of managers designated by Sole Member (a "***Committee***") or (C) by Sole Member, and at all times there shall be at least two (2) duly appointed Independent Directors or Independent Managers. In addition, the organizational documents of Borrower shall provide that no Independent Director or Independent Manager (as applicable) of Borrower may be removed or replaced without Cause and unless Borrower provides Lender with not less than three (3) Business Days' prior written notice of (a) any proposed removal of an Independent Director or Independent Manager (as applicable), together with a statement as to the reasons for such removal, and (b) the identity of the proposed replacement Independent Director or Independent Manager, as applicable, together with a certification that such replacement satisfies the requirements set forth in the organizational documents for an Independent Director or Independent Manager (as applicable).

(p) The organizational documents of Borrower shall also provide an express acknowledgment that Lender is an intended third-party beneficiary of the "special purpose" provisions of such organizational documents.

(q) The organizational documents of Borrower shall provide that the board of directors, the Committee or Sole Member (as applicable) of Borrower shall not take any action which, under the terms of any certificate of formation, limited liability company operating agreement or any voting trust agreement, requires an unanimous vote of the board of directors (or the Committee as applicable) of Borrower unless at the time of such action there shall be (A) at least two (2) members of the board of directors (or the Committee as applicable) who are Independent Directors or Independent Managers, as applicable (and such Independent Directors or Independent Managers, as applicable, have participated in such vote) or (B) if there is no board of directors or Committee, then such Independent Managers shall have participated in such vote. The organizational documents of Borrower shall provide that Borrower will not and Borrower agrees that it will not, without the unanimous written consent of its board of directors, its Committee or its Sole Member (as applicable), including, or together with, the Independent Directors or Independent Managers (as applicable) (i) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, (ii) seek or consent to the appointment of a receiver, liquidator or any similar official of Borrower or a substantial part of its business, (iii) take any action that would be reasonably likely to cause such entity to become insolvent, (iv) make an assignment for the benefit of creditors, (v) admit in writing its inability to pay debts generally as they become due, (vi) declare or effectuate a moratorium on the payment of any obligations, or (vii) take any action in furtherance of the foregoing. Borrower shall not take any of the foregoing actions without the unanimous written consent of its board of directors, its Committee or its Sole Member, as applicable, including (or together with) all Independent Directors or Independent Managers, as applicable. In addition, the organizational documents of Borrower shall provide that, when voting with respect to any matters set forth in the immediately preceding sentence of this clause (q), the Independent Directors or Independent Managers (as applicable) shall consider only the interests of Borrower, including its creditors. Without limiting the generality of the foregoing, such documents shall expressly provide that, to the greatest extent permitted by law, except for duties to Borrower (including duties to the members of Borrower solely to the extent of their respective economic interest in Borrower and to Borrower's creditors as set forth in the immediately preceding sentence), such Independent Directors or Independent Managers (as applicable) shall not owe any fiduciary duties to, and shall not consider, in acting or otherwise voting on any matter for which their approval is required, the interests of (i) the members of Borrower, (ii) other Affiliates of Borrower, or (iii) any group of Affiliates of which Borrower is a part); provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing.

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(r) The organizational documents of Borrower shall provide that, as long as any portion of the Obligations remains outstanding, upon the occurrence of any event that causes Sole Member to cease to be a member of Borrower (other than (i) upon an assignment by Sole Member of all of its limited liability company interest in Borrower and the admission of the transferee, if permitted pursuant to the organizational documents of Borrower and the Loan Documents, or (ii) the resignation of Sole Member and the admission of an additional member of Borrower, if permitted pursuant to the organizational documents of Borrower and the Loan Documents), each of the persons acting as an Independent Director or Independent Manager (as applicable) of Borrower shall, without any action of any Person and simultaneously with Sole Member ceasing to be a member of Borrower, automatically be admitted as members of Borrower (in each case, individually, a "***Special Member***" and collectively, the "***Special Members***") and shall preserve and continue the existence of Borrower without dissolution or division (whether pursuant to Section 18-217 of the Act or otherwise). The organizational documents of Borrower shall further provide that for so long as any portion of the Obligations is outstanding, no Special Member may resign or transfer its rights as Special Member unless (i) a successor Special Member has been admitted to Borrower as a Special Member, and (ii) such successor Special Member has also accepted its appointment as an Independent Director or Independent Manager (as applicable).

(s) The organizational documents of Borrower shall provide that, as long as any portion of the Obligations remains outstanding, except as expressly permitted pursuant to the terms of this Agreement, (i) Sole Member may not resign, and (ii) no additional member shall be admitted to Borrower.

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(t) The organizational documents of Borrower shall provide that, as long as any portion of the Obligations remains outstanding: (i) Borrower shall be dissolved, and its affairs shall be wound up, only upon the first to occur of the following: (A) the termination of the legal existence of the last remaining member of Borrower or the occurrence of any other event which terminates the continued membership of the last remaining member of Borrower in Borrower unless the business of Borrower is continued in a manner permitted by its operating agreement or the Delaware Limited Liability Company Act (as the same may be amended, modified or replaced, the "***Act***"), or (B) the entry of a decree of judicial dissolution under Section 18-802 of the Act; (ii) upon the occurrence of any event that causes the last remaining member of Borrower to cease to be a member of Borrower or that causes Sole Member to cease to be a member of Borrower (other than (A) upon an assignment by Sole Member of all of its limited liability company interest in Borrower and the admission of the transferee, if permitted pursuant to the organizational documents of Borrower and the Loan Documents, or (B) the resignation of Sole Member and the admission of an additional member of Borrower, if permitted pursuant to the organizational documents of Borrower and the Loan Documents), to the fullest extent permitted by law, the personal representative of such last remaining member shall be authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in Borrower, agree in writing (I) to continue the existence of Borrower, and (II) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of Borrower, effective as of the occurrence of the event that terminated the continued membership of such member in Borrower; (iii) the bankruptcy of Sole Member or a Special Member shall not cause such Sole Member or Special Member, respectively, to cease to be a member of Borrower and upon the occurrence of such an event, the business of Borrower shall continue without dissolution; (iv) in the event of the dissolution of Borrower, Borrower shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of Borrower in an orderly manner), and the assets of Borrower shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act; (v) to the fullest extent permitted by law, each of Sole Member and the Special Members shall irrevocably waive any right or power that they might have to cause Borrower or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of Borrower, to compel any sale of all or any portion of the assets of Borrower pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, division (whether pursuant to Section 18-217 of the Act or otherwise), liquidation, winding up or termination of Borrower and (vi) Borrower shall be prohibited from effectuating a division (whether pursuant to Section 18-217 of the Act or otherwise).

(u) Borrower shall conduct its business so that the assumptions made with respect to Borrower in the Insolvency Opinion shall be true and correct in all material respects. In connection with the foregoing, Borrower hereby covenants and agrees that it will comply with or cause the compliance in all material respects with, (i) all of the facts and assumptions (whether regarding Borrower or any other Person) set forth in the Insolvency Opinion, (ii) all of the representations, warranties and covenants on this **Schedule V**, and (iii) all of the organizational documents of Borrower.

(v) Borrower has paid and intends to pay its own liabilities and expenses, including the salaries of its own employees (if any) from its own funds, and has maintained and shall maintain a sufficient number of employees (if any) in light of its contemplated business operations; provided that the foregoing shall not require any direct or indirect member, partner or shareholder of Borrower to make any additional capital contributions to Borrower.

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(w) Borrower has not permitted and will not permit any Affiliate or constituent party independent access to its bank accounts.

(x) Borrower has compensated and shall compensate each of its consultants and agents from its funds for services provided to it and pay from its own assets all obligations of any kind incurred; provided that the foregoing shall not require any direct or indirect member, partner or shareholder of Borrower to make any additional capital contributions to Borrower.

(y) Borrower has allocated and will allocate fairly and reasonably any overhead expenses that are shared with any Affiliate, including shared office space.

(z) Except in connection with the Loan, Borrower has not pledged and will not pledge its assets for the benefit of any other Person.

(aa) Borrower has and will have no obligation to indemnify its officers, directors, members or Special Members, as the case may be, or has such an obligation that is fully subordinated to the Debt and will not constitute a claim against it if cash flow in excess of the amount required to pay the Debt is insufficient to pay such obligation.

(bb) Borrower has not, does not, and will not have any of its obligations guaranteed by an Affiliate (other than from the Guarantor with respect to the Loan).

(cc) Borrower has not, and shall not, register to do business in and/or otherwise be recognized by any jurisdiction other than the United States, Delaware (or any subdivision thereof) and/or the State (or any subdivision thereof), including, without limitation, by becoming a "registered foreign entity" under the Australian Corporations Act of 2001.

As used herein:

"***Cause***" shall mean, with respect to an Independent Director or Independent Manager, (i) acts or omissions by such Independent Director or Independent Manager, as applicable, that constitute willful disregard of, or gross negligence with respect to, such Independent Director's or Independent Manager's, as applicable, duties, (ii) such Independent Director or Independent Manager, as applicable, has engaged in or has been charged with or has been indicted or convicted for any crime or crimes of fraud or other acts constituting a crime under any law applicable to such Independent Director or Independent Manager, as applicable, (iii) such Independent Director or Independent Manager, as applicable, has breached its fiduciary duties of loyalty and care as and to the extent of such duties in accordance with the terms of Borrower's organizational documents, (iv) there is a material increase in the fees charged by such Independent Director or Independent Manager, as applicable, or a material change to such Independent Director's or Independent Manager's, as applicable, terms of service, (v) such Independent Director or Independent Manager, as applicable, is unable to perform his or her duties as Independent Director or Independent Manager, as applicable, due to death, disability or incapacity, or (vi) such Independent Director or Independent Manager, as applicable, no longer meets the definition of Independent Director or Independent Manager, as applicable.

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"***Independent Director***" or "***Independent Manager***" shall mean a natural person selected by Borrower (a) with prior experience as an independent director, independent manager or independent member, (b) with at least three (3) years of employment experience, (c) who is provided by a Nationally Recognized Service Company, (d) who is duly appointed as an Independent Director or Independent Manager and is not, will not be while serving as Independent Director or Independent Manager (except pursuant to an express provision in Borrower's operating agreement providing for the appointment of such Independent Director or Independent Manager to become a "special member" upon the last remaining member of Borrower ceasing to be a member of Borrower) and shall not have been at any time during the preceding five (5) years, any of the following:

(i) a stockholder, director (other than as an Independent Director), officer, employee, partner, attorney or counsel of Borrower, any Affiliate of Borrower or any direct or indirect parent of Borrower;

(ii) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with Borrower or any Affiliate of Borrower;

(iii) a Person or other entity Controlling or under Common Control with any such stockholder, partner, customer, supplier or other Person described in clause (i) or clause (ii) above; or

(iv) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer, supplier or other Person described in clause (i) or clause (ii) above.

A natural person who otherwise satisfies the foregoing definition and satisfies subparagraph (i) by reason of being the Independent Director or Independent Manager of a "special purpose entity" affiliated with Borrower shall be qualified to serve as an Independent Director or Independent Manager of Borrower, provided that the fees that such individual earns from serving as Independent Director or Independent Manager of affiliates of Borrower in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

A natural person who satisfies the foregoing definition other than clause (ii) shall not be disqualified from serving as an Independent Director or Independent Manager of Borrower if such individual is an independent director, independent manager or special manager provided by a Nationally Recognized Service Company that provides professional independent directors, independent managers and special managers and also provides other corporate services in the ordinary course of its business.

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"***Nationally Recognized Service Company***" shall mean any of CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, National Corporate Research, Ltd., United Corporate Services, Inc., Independent Member Services LLC or such other nationally recognized company that provides independent director, independent manager or independent member services and that is reasonably satisfactory to Lender, in each case that is not an Affiliate of Borrower and that provides professional independent directors and other corporate services in the ordinary course of its business.

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SCHEDULE VI

INTELLECTUAL PROPERTY/WEBSITES

None

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SCHEDULE VII

REA

1. Deed of Conservation Easement and Grant of Temporary Construction Easements, dated as of November 22, 2013 and recorded in the Hamilton County Register of Deeds on November 22, 2013, by and between Industrial Development Board of the City of Chattanooga, Alston Power Turbomachines LLC, a Delaware limited liability company and Hamilton County.

2. Declaration Of Temporary Access Easement And Use, dated as of the date hereof, by West End Property II, LLC, a Tennessee limited liability company.

3. Access Easement and Use Agreement (Crane), dated as of the date hereof, by and between West End Loading, LLC, a Tennessee limited liability company and West End Property II, LLC, a Tennessee limited liability company.

4. Declaration of Access and Utilities Easement, dated as of the date hereof, made by West End Property II, LLC, a Tennessee limited liability company.

5. Reciprocal Access and Utility Easement Agreement, dated as of the date hereof, between West End Property II, LLC, a Tennessee limited liability company, and Aerisyn Opportunity Zone Business, LLC, a Tennessee limited liability company.

6. Access and Utilities Easement Agreement, dated as of the date hereof, by and between Aerisyn Opportunity Zone Business, LLC, a Tennessee limited liability company, and West End Property II, LLC, a Tennessee limited liability company.

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SCHEDULE VIII

DESCRIPTION OF GROUND LEASE

That certain Lease Agreement dated as of the date hereof, by and between The Industrial Development Board Of The City Of Chattanooga, a public corporation duly created and existing under the laws of the State of Tennessee ("***Ground Lessor***"), and Novonix 1029, LLC, a Delaware limited liability company, as amended by that certain Ground Lease Estoppel Agreement dated as of the date hereof given by Ground Lessor and Borrower for the benefit of Lender.

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SCHEDULE IX

Intentionally Omitted

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SCHEDULE X

SCHEDULED CAPITAL EXPENDITURES

(attached hereto)

Scheduled Capital Expenditure*	**Estimated Cost**
Pit Demolition	$2,657,264
Vacuum Chamber	$950,418
Loading Dock Upgrade	$392,099
Equipment Removal	$344,381
Piping	$489,750
General Logistics	$554,550
Total:	**$5,388,462**

* In each case, as more particularly described on Schedule XI hereto.

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SCHEDULE XI

PLANS AND SPECIFICATIONS FOR
SCHEDULED CAPITAL EXPENDITURES WORK

(attached hereto)

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KING INDUSTRIES
PO Box 16608 • Chattanooga, Tennessee 37416-0608 • Phone: 423-622-4500 • Fax: 423-624-6763

July 15, 2021

Daniel Deas
PUREgraphite
353 Corporate Place
Chattanooga TN 37404

Re: Big Blue Demolition Refit Quotation

This is in response to your request for additional formation concerning the original quotation. We propose to provide supervision, material, labor, and equipment to complete the project with pricing based on the following:

1.0 Pits

1.1 Demolish and remove concrete, existing furnace, and stairs in various pit areas. Backfill designated pits. Install reinforcement steel and re-pour concrete back to the finished floor level. Fabricate and install floor steel at the furnace and turbine pit areas.

1.2 Breakdown

- Concrete: $2,476,351.00
- Steelwork:
  Material: $113,480.00
  Labor: $ 67,433.00

  TOTAL: $2,657,264.00

2.0 Vacuum Chamber

2.1 Install temporary floor plates to protect the floor area around the chamber. Demolish and remove concrete, handrails, ladders, chamber doors and piping.

2.2 Breakdown

- Concrete: $861,841.00
- Steel/Piping Work:
  Material: $56,461.00
  Labor: $32,116.00

  TOTAL: $950,418.00

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3.0 Loading Docks

3.1 Saw cut and remove concrete in lot area for new pour in front of docks. Modify the building steel in order to install 3 dock doors. Form and pour concrete for 3 dock ramps to match existing ramps. Provide and install 3 new dock doors and levelers, with 3 dock pad sets. Fabricate and install handrails on the dock ramps.

3.2 Breakdown

- Concrete: $227,231.00
- Steelwork:
  Material: $80,082.00
  Labor: $84,786.00

TOTAL: $392,099.00

4.0 Equipment Removal

4.1 Disassemble and remove from site for scrap or store on site for resale, 4 large pieces of equipment; Gegelec machine, Esab welding machine, Tenova furnace, Dufleux Milling Machine. Disassemble and remove from site all chain link fence inside the plant.

4.2 Breakdown

- Steelwork:
  Material: $ 5,156.00
  Labor: $339,225.00

TOTAL: $344, 381.00

5.0 Piping

5.1 Install vales to isolate systems before demolition. Demolish and remove all piping back to the isolation vales from the pit, loading dock, and large equipment areas.

5.2 Breakdown

- Piping Work:
  Material: $ 52,545.00
  Labor: $437,205.00

TOTAL: $489,750.00

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6.0 General Conditions / Logistics

6.1 The cost breakdown for this section is as follows:

- Project supervision includes a Project Manager, Superintendent, Asst. Field Superintendent and Safety Supervisor.
- Engineering services for building steel for 3 dock doors and floor steel for furnace pit and turbine pit.
- The construction equipment for the project varies in duration according to the sequence of the work and includes:

  Included in King's price:
  - (1) 10,000 lb. fork truck
  - (4) 5,000 lb. fork trucks
  - (2) scissors lifts
  - (2) skid steers
  - (2) boom lifts
  - (2) mobile carts
  - Other misc. items incudes; PPE/safety equipment, tools, office supplies/office equipment, communications, general labor, waste disposal, company trucks/fuel, etc.

  TOTAL: $554,550.00

- Included in the concrete contractor's price:
  - (2) two trackhoes
  - (3) bobcats
  - (2) small dump trucks
  - (up to 5) tri-axle dump trucks
  - (1) compactor
  - (*) small compactors
  - (1) 330 CAT trackhoe & hydraulic breaker
  - (1) small crane
  - (*) man lifts
  - (*) concrete pump trucks

7.0 Supplemental Information

The pricing for this quotation is based on the following:

- The workweek is 6 days per week, 10 hours per day. Sundays and holidays are non-work days.

- Manpower "average crew size" by trade:
  - Ironworker/Sheet Metal Workers: 6
  - Pipefitters: 6
  - Concrete Workers:13 (Additional manpower during demo of vacuum chamber)
  - Overhead Crane Operator: 1
  - General Labor: 1

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- Project Manhours by category:

- Supervision:	5,150
- Ironworkers/SM Workers:	7,200
- Pipefitters:	6,450
- Concrete Workers:	16,000
- OH Crane Operator:	1,290
- Laborer:	1,290
Total Manhours:	37,380

(The above total does not include hours for incidental 3rd tier subs or service providers)

- Estimated material by concrete contractor:
  - 1,400 CY Concrete
  - 17,966 Tons of Stone
  - 74,000 lbs. Rebar Reinforcement

- Attachments to this quotation:
  - Construction / Payment and Progress, Schedules
  - Labor Rates

Thank you for the opportunity to work with you on this project. If you have any questions, please contact me.

Sincerely,

Tony Watson
Tony Watson
King Industries Inc.
(423) 421-9947

Terms and Conditions

Price Exclusion

Encountering or relocation of subsurface utilities, and dewatering due to springs or other underground water sources. Encountering subterranean material such as; rock, foundations or muck.

Additional Work

No additional work or services shall be performed outside the scope of work without the prior written authorization (Change Order) of the Purchaser. Any such authorization shall be duly executed on a change order form, approved by both parties, which shall become a part of the contract. Where such additional work is added to this contract, it is agreed that all terms and conditions of these terms and conditions shall apply equally to such additional work or services.

Schedule

King Industries shall be entitled to additional compensation for changes in the construction schedule made by the Owner/Purchaser or third party which causes additional project cost in the form of an extension or reduction of the construction schedule.

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Delays

The time during which King Industries is delayed in its work by (a) the acts of Owner, Purchaser or his agents or employees or those claiming under agreement with or grant from Owner/Purchaser, or by (b) the Acts of God which King Industries could not have reasonably foreseen and provided against, or by (c) stormy or inclement weather which necessarily delays the work, or by (d) any strikes, boycotts or like obstructive actions by employees or labor organizations and which are beyond the control of King Industries and which cannot be reasonably overcome, or by (e) extra work requested by the Purchaser, or by (f) Purchaser supplied material or equipment not on site and/or ready for installation according to King Industries planned construction sequence, or (g) Force Majeure; shall be added to the time for completion or by a fair and reasonable allowance. King Industries' construction schedule is based on a continuity of installation work that is not impaired by completion of work by the Purchaser or his contractors or subcontractors; Purchaser's / Owners plant operation scheduling, tie in scheduling, work or safety permits, and drawing approvals for construction, or similar delays. If through no fault of King Industries the work is delayed or postponed the Purchaser shall reimburse King Industries for all additional costs, from such delays or postponements.

Payment Terms

Payment terms are according to the down payment and progress payments are due as provided in the payment/SOV schedule agreed to by the parties. This serves as notice in any state where prior notification is required of King Industries' intent to exercise its lien rights in the event of nonpayment. All past due amounts are subject to a service charge of 1 1/2% per month or the maximum rate allowed by state law plus costs of collection including attorney fees if incurred.

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SCHEDULE XII

SPECIFIED EQUIPMENT

(attached hereto)

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Novonix Chattanooga
Up to $30,100,000 Fixed Rate Financing

Schedule B – Equipment Schedule

Item #	Vendor	Item Name	Purpose	Quantity		Estimated Commission Date
1	Harper	Generation 2 Furnace	Heats Precursor material to above 2700 *C	1		March 2022
2	Neuman & Esser	Grinding Mill	Sizes precursor material to be ready for us in furnace	1		March 2022
3	Neuman & Esser	Shaping Mill	Shapes precursor material to achieve desired performance criteria	1		March 2022
4	Neuman & Esser	Mill to Mill Tube Chain Transfer	Transfer material from mill to mill	1		March 2022
5	Flexicon	ICX 150 Grinding Mill Feeder	Feeds precursor material into the grinding mill	1		March 2022
6	King	Platform for Generation 2 Furnace	Equipment to secure furnace in place	1		March 2022
7	King	Platform for Grinding Mill	Equipment to secure mill in place	1		March 2022
8	King	Platform for Shaping Mill	Equipment to secure mill in place	1		March 2022
Total						

Deutsche Bank

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SCHEDULE XIII

ADDITIONAL OEPRATIONS AGREEMENTS

1. Brownfield Voluntary Agreement for Site Number 33-762, dated as of March 4, 2018, by and between the Tennessee Department of Environment and Conservation and Alstom Power, Inc., a wholly owned subsidiary of General Electric.

2. Notice of Land Use Restrictions, dated on or about May 25, 2018 and recorded in the Hamilton County Register of Deeds on May 31, 2018, by the Tennessee Department of Environment and Conservation Division of Remediation and Alstom Power, Inc., a wholly owned subsidiary of General Electric.

3. Affirmation of Environmental Covenants, dated as of May 30th, 2018 and recorded in the Hamilton County Register of Deeds on May 31, 2018, by West End Property II, LLC, a Tennessee limited liability company, for the benefit of Alston Power Turbomachines LLC, a Delaware limited liability company.

4. Supplemental Agreement, dated as of November 5, 2019 and recorded in the Hamilton County Register of Deeds on November 6, 2019, by and between West End Property II, LLC, a Tennessee limited liability company and R&S, LLC, a Delaware limited liability company (the "**West End Supplemental Agreement**").

5. Agreement Concerning Environmental Documents and Fees, dated as of the date hereof, by and between West End Property II, LLC, a Tennessee limited liability company and PUREgraphite LLC, a Delaware limited liability company.

6. Environmental Indemnity Declaration, dated as of the date hereof, by West End Property II, LLC, a Tennessee limited liability company.

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EXHIBIT A

LEGAL DESCRIPTION

Legal Description for Fee Tract

A tract of land located in the City of Chattanooga, Hamilton County, Tennessee being known as Lot 1, The Bend Big Blue Subdivision as recorded in Plat Book 121, Page 33, in the Register's Office of Hamilton County, Tennessee and being more particularly described as follows:

Beginning at a PK Nail Set at the northeast corner of Lot 1, The Bend Big Blue Subdivision as recorded in Plat Book 121, Page 33, in the Register's Office of Hamilton County, Tennessee and on the southern portion of a Private Access Easement (Not City Maintained) referred to as West Main Street (Private) width of said easement varies, said point being a common corner of the West End Property II, LLC tract remaining portion recorded in Deed Book 11360, Page 381 in the Register's Office of Hamilton County, Tennessee, said point being hereafter referred to as the POINT OF BEGINNING;

Thence, leaving said point with and along a common line with the said West End Property II, LLC tract South 24 degrees 26 minutes 33 seconds West, 1169.98 fee to a point on the northern right-of-way of CSX Railway, having a width that varies;
Thence, with and along said right of way the following calls, North 66 Degrees 06 minutes 20 seconds West, 24.83 feet to a point; thence, South 24 degrees 10 minutes 02 seconds West, 6.97 feet to a point, said point being at the intersection of the said CSX Railway right-of-way and the norther right-of-way of the Norfolk Southern Railway right-of-way, having a right-of-way width that varies;
Thence, leaving the said CSX Railway right-of-way with and along the said Norfolk Southern rigt-of-way the following calls, North 58 degrees 33 minutes 54 seconds West, 90.56 feet to a point; Thence, in a curve to the right, having a radius of 395.44 feet, a length of 152.34 feet, and being subtended by a chord of North 47 degrees 31 minutes 43 seconds West, 151.40 feet to a point; Thence, North 37 degrees 46 minutes 06 seconds West, 28.34 feet to a point;
Thence, in a curve to the right, having a radius of 478.18 feet, a length of 225.39 feet, and being subtended by a chord of North 24 degrees 15 minutes 54 seconds West, 223.31 feet to a point; Thence, in a curve to the right, having a radius of 455.56 feet, a length of 99.13 feet, and being subtended by a chord of North 04 degrees 31 minutes 39 seconds West, 98.94 feet to a common point with the said West End Property II, LLC Tract;
Thence, leaving said Norfolk Southern Railway right-of-way with and along a common line with said West End Property II, LLC tract in a curve to the right, having a radius of 200 feet, a length of 10.17 feet, and being subtended by a chord of North 22 degrees 50 minutes 49 seconds East, 10.17 feet to a point;
Thence, North 24 degrees 18 minutes 14 seconds East, 73.14 feet to a point;
Thence, in a curve to the left, having a radius of 517.14 feet, a length of 394.16 feet, and being subtended by a chord of North 08 degrees 05 minutes 31 seconds West, 384.69 feet to a point; Thence, in a curve to the right, having a radius of 19.00 feet, a length of 17.88 feet, and being subtended by a chord of North 02 degrees 57 minutes 54 seconds West, 17.23 feet to a point;

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Thence, North 23 degrees 59 minutes 50 seconds West, 55.91 feet to a point;
Thence, South 66 degrees 13 minutes 45 seconds East, 27.74 feet to a point;
Thence, North 24 degrees 13 minutes 13 seconds East, 56.96 feet to a point;
Thence, North 65 degrees 27 minutes 23 seconds West, 1.50 feet to a point;
Thence, North 24 degrees 32 minutes 37 seconds East, 101.73 feet to a point;
Thence, South 65 degrees 27 minutes 23 seconds East, 2.88 feet to a point;
Thence, North 24 degrees 17 minutes 40 seconds East, 157.34 feet to a point at the southwest corner of Lot 1, West End Opportunity Zone Subdivision, recorded in Plat Book 116, Page 170 in the Register's Office of Hamilton County, Tennessee;
Thence, with and along common lines with said Lot 1 of the West end Opportunity Zone Subdivision South 65 degrees 40 minutes 42 seconds East, 118.83 feet to a point;
Thence, North 24 degrees 19 minutes 18 seconds East, 80.70 feet to a point on the southern line of the said West Main Street (Private);
Thence, leaving said point with and along the southern line of the said West Main Street (Private) South 65 degrees 09 minutes 31 seconds East, 567.82 feet to the POINT OF BEGINNING.

Said tract herein contains 652,021.861 Sq Ft or 14.968 Acres.

AND

A tract of land situated in the City of Chattanooga, Hamilton County, Tennessee and being a portion of Tract C conveyed by The Alabama Great Southern Railway Company to West End Property II, LLC recorded in Book 12574, Page 857 in the Register's Office of Hamilton County Tennessee. Said portion of Tract C being more particularly described as follows:

Beginning at a point in the southeast corner of Lot 1, The Bend Big Blue Subdivision, recorded in Plat Book 121, Page 33 in the Register's Office of Hamilton County, Tennessee on the west right-of-way of property now or formerly owned by CSX Railway, said point having Tennessee State Plane Grid Coordinates of North 257,537.803 and East 2,170,745.613, said point being hereafter referred to as the POINT OF BEGINNING;

Thence, leaving said point, with and along the said CSX property South 24 degrees 10 minutes 02 seconds West, 1.44 feet to point;

Thence, with and along the new division line between The Alabama Great Southern Railway Company and West End Property II, LLC the following calls and distances, North 65 degrees 25 minutes 35 seconds West, 56.95 feet to point;

Thence, in a curve to the right having a radius of 463.53 feet a length of 453.71 feet and being subtended by a chord of North 37 degrees 23 minutes 08 seconds West, 435.81 feet to point;

Thence, leaving the new said division line in a curve to the right having a radius of 200.00 feet a length of 107.28 feet and being subtended by a chord of North 06 degrees 01 minutes 21 seconds East, 106.00 feet to point on the existing property line of said Lot 1, The Bend Big Blue Subdivision;

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Thence, with and along the existing line of said Lot 1, The Bend Big Blue Subdivision the following call and distances,

In a curve to the left having a radius of 455.56 feet a length of 99.13 feet and being subtended by a chord of South 04 degrees 31 minutes 39 seconds East, 98.94 feet to point;

Thence, in a curve to the left, having a radius of 478.18 feet a length of 225.39 feet and being subtended by a chord of South 24 degrees 15 minutes 54 seconds East, 223.31 feet to point;

Thence, South 37 degrees 46 minutes 06 seconds East, 28.34 feet to point;

Thence, in a curve to the left, having a radius of 395.44 feet a length of 152.34 feet and being subtended by a chord of South 47 degrees 31 minutes 43 seconds East, 151.40 feet to point;

Thence, South 58 degrees 33 minutes 54 seconds East, 90.56 feet the POINT OF BEGINNING.

Said Portion of Tract C herein contains 10,053.207 Sq.Ft. or 0.231 Acres.

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Legal Description of Easement Tract
Crane Easement Parcel

Access Easement and Use Agreement (Crane) dated July 28, 2021 between West End Loading, LLC and West End Property II, LLC recorded in Book _____, Page _____ in the ROHCT:

In the City of Chattanooga, Hamilton County, Tennessee, Tract 5 (Five) of the ABB Combustion Engineering, Inc. Subdivision as designated on Plat recorded in Plat Book 54, Page 184 in the Register's Office of Hamilton County, Tennessee. According to said Plat, Tract 5 is more particularly described as follows:

Beginning at a point, said point being located on the southwestern right of-way line of West 19th street (50-foot right-of-way) at the northwestern corner of Tract 4, Revised Plat of ABB Combustion Engineering, Inc. Subdivisions, as recorded in Plat Book 54, Page 184 in the Register's Office of Hamilton County, Tennessee; thence S 20°20'09" W a distance of 67 .96 feet to a point marked with a fence post; thence S 24°19'43" W a distance of 66.95 feet to a point marked with a fence post thence N 63°30'54" W a distance of 20.18 feet to a point marked with a fence post and lying of the southwestern line of a private 20' ingress and egress easement; thence leaving said private 20-foot easement S 02°11'24" E a distance of 181.65 feet to a point marked with a cut cross; thence S 37°01'39" E a distance of 133.51 feet to a point, said point marked with a cut cross; thence S 24°13'05" W a distance of 198.31 feet to a point marked with an iron pin; thence S 78°26' 05" W, passing a fence post at 54.40 feet, a total distance of 59 feet, more or less to the Tennessee River Bank; thence following along with said River Bank as it curves to the left, said curve having a radius of 659.62 feet, a delta of 10°57'43", a tangent of 63.29 feet, a chord of N 26°56'33" W, 126.01 feet and an arc length of 126.20 feet to a point marking the beginning of a compound curve as it continues to the left; said curve having a radius of 9.15 feet, a delta of 66°06'34', a tangent of 5.95 feet, a chord of N 70°56'06" W, 9.98 feet and an arc length of 10.56 feet to a point marking the beginning of a reverse curve to the right; said curve having a radius of 6.79 feet, a delta of 78°33'39" a tangent of 5.55 feet, a chord of N 64°42'34" W, 8.60 feet and an arc length of 9.31 feet to a point marking a compound curve to the right; said curve having a radius of 312.67 feet, a delta of 13°40'39" a tangent of 37.50 feet, a chord of N 12°10'07" W, 74.46 feet and an arc length of 74.64 feet to a point marking the beginning of compound curve to the right; said curve having a radius of 23.88 feet a delta of 57°34'31", a tangent of 13.12 feet, a chord of N 40°33'03" E, 23.00 feet and an arc length of 24.00 feet to a point; thence N 01 °19'32" E a distance of 106.34 feet to a point; thence following along with a curve to the right, said curve having a radius of 23.14 feet, a delta of 58°45'54" a tangent of 13.03 feet, a chord of N 47°17'18" W 22.70 feet and an arc length of 23.73 feet to a point; thence N 22°51 '58" W a distance of 12.39 feet to a point marking the beginning of a curve to the right; said curve having a radius of 335.64 feet, a delta of 08°41'42" a tangent of 25.52 feet, a chord of N 16°11'35" W, 50.89 feet and an arc length of 50.94 feet to a point marking a compound curve to the right; said curve having a radius of 904.29 feet, a delta of 05°16'52" a tangent of 41.70 feet, a chord of N 09°12'18" W, 83.32 feet and an arc length of 83.35 feet to a point marking the end of the said curve; thence leaving the water's edge N 86°25'45" E passing a fence post at 25 feet, more or less, then continuing a distance of 75.84 feet to a point marked by a rebar; thence following along with a curve to the right, said curve having a radius of 461.86 feet, a delta of 16°52'20" a tangent of 68.50 feet, a chord of N 37°16'50" E, 135.52 feet and an arc length of 136.01 feet to a point marked with a rebar; thence N 45°44'18" E a distance of 13.00 feet to a point marked with a rebar; thence N 24°13'05" E a distance of 20.50 feet to a point lying on the northwestern right-of-way line of the above mentioned southwestern right-of-way of West 19th Street (50' right-of-way); thence following along with said right-of-way S 65°48'20" E a distance of 46.57 feet to the point of beginning, containing 1.93 acres, more or less.

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Appurtenant Easements:

Declaration of Access and Utilities Easement (Private Drives of "Front Street", "Closed Main Street", "Sanitary Sewer Easement") dated July 28, 2021 by West End Property II, LLC recorded in Book _____, Page _____ in the Register's Office of Hamilton County, Tennessee (the "ROHCT").

Front Street – Ingress/Egress & Utility Easement

An Ingress/Egress & Utility Easement located on a portion of the property known as the West End Property II, LLC tract situated in the City of Chattanooga, Hamilton County, Tennessee and being recorded in Deed Book 11360, Page 381 in the Register's Office of Hamilton County, Tennessee less and accept those areas that cross the Norfolk Southern Railway right-of-way and the CSX Railway right-of-way, said easement being more particularly described as follows:

Beginning at a point at the northeast corner of Tract 7, ABB Combustions Engineering Subdivision, recorded in Plat Book 54, Page 184 in the Register's Office of Hamilton County, Tennessee at the southern line of the CSX Railway right-of-way at a common corner with the said West End Property II, LLC tract, said point having Tennessee State Plane Grid Coordinates (NAD83) of North=257,693.040 and East=2,170,464.216; said point being hereafter referred to as the POINT OF BEGINNING;

Thence, leaving said point with and along the common line between said Tract 7 and the said CSX Railway right-of-way North 49 degrees 08 minutes 32 seconds West, 11.01 feet to a point;

Thence, leaving said common line in a curve to the left having a radius of 296.71 feet, a length of 120.49 feet, and being subtended by a chord of North 21 degrees 22 minutes 33 seconds West, 119.66 feet to a point;

Thence, in a curve to the right, having a radius of 190.65 feet, a length of 133.04 feet, and being subtended by a chord of North 13 degrees 01 minutes 08 seconds West, 130.35 feet to a point;

Thence, North 06 degrees 58 minutes 18 seconds East, 30.17 feet to a point;

Thence, North 25 degrees 14 minutes 36 seconds East, 153.94 feet to a point;

Thence, in a curve to the left, having a radius of 731.71 feet, a length of 115.66 feet, and being subtended by a chord of North 03 degrees 35 minutes 36 seconds East, 115.54 feet to a point;

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Thence, in a curve to the left, having a radius of 450.32 feet, a length of 118.86 feet, and being subtended by a chord of North 08 degrees 29 minutes 48 seconds West, 118.52 feet to a point;

Thence, North 74 degrees 35 minutes 45 seconds East, 29.11 feet to a point on the western boundary of Lot 1, The Bend Big Blue Subdivision recorded in Plat Book 121, Page 33, in the Register's Office of Hamilton County, Tennessee;

Thence, with and along the western boundary of said Lot 1, The Bend Big Blue Subdivision in a curve to the right, having a radius of 517.14 feet, a length of 263.08 feet, and being subtended by a chord of South 00 degrees 49 minutes 49 seconds East, 260.25 feet to a point;

Thence, South 24 degrees 18 minutes 14 seconds West, 73.14 feet to a point;

Thence, in a curve to the left, having a radius of 200.00 feet, a length of 117.46 feet, and being subtended by a chord of South 07 degrees 28 minutes 46 seconds West, 115.77 feet to a point;

Thence, in a curve to the left, having a radius of 463.53 feet, a length of 453.71 feet, and being subtended by a chord of South 37 degrees 23 minutes 08 seconds East, 435.81 feet to a point;

Thence, South 65 degrees 25 minutes 35 seconds East, 56.95 feet to a point on the CSX Railway right-of-way;

Thence, South 24 degrees 10 minutes 02 seconds West, 20.38 feet to a point on the northern right-of-way of West 19th Street, having a right-of-way width of 50.00 feet;

Thence, with and along said West 19th Street right-of-way North 65 degrees 50 minutes 00 seconds West, 301.23 feet to a point;

Thence, in a curve to the left, having a radius of 440.46 fee, a length of 39.96 feet, and being subtended by a chord of North 04 degrees 27 minutes 40 seconds West, 39.94 feet to a point on the western lone of said Tract 7, ABB Combustions Engineering Subdivision;

Thence, with and along said Tract 7 North 24 degrees 32 minutes 15 seconds East, 13.19 feet to the POINT OF BEGINNING.

Said easement herein contains 35,944.346 Sq Ft or 0.825 Acres.

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Legal Description of Closed Main Street Easement Area

A 60.00 foot wide Ingress/Egress & Utility Easement located on a portion of the property known as the West End Property II, LLC tract situated in the City of Chattanooga, Hamilton County, Tennessee and being recorded in Deed Book 11360, Page 381 in the Register's Office of Hamilton County, Tennessee, said easement being more particularly described as follows:

Beginning at a point at the northeast corner of Lot 1, The Bend Big Blue Subdivision, recorded in Plat Book 121, Page 33, in the Register's Office of Hamilton County, Tennessee, at a common corner with the said West End Property II, LLC tract, said point having Tennessee State Plane Grid Coordinates (NAD83) of North=258,599.224 and East=2,171,255.279; said point being hereafter referred to as the POINT OF BEGINNING;

Thence, leaving said point, with and along the northern line of said Lot 1, The Bend Big Blue Subdivision North 65 degrees 09 minutes 31 seconds West, 567.82 feet to a point on the eastern line of Lot 1, West End Opportunity Zone Subdivision, recorded in Plat Book 116, Page 170 in the Register's Office of Hamilton County, Tennessee;

Thence, with and along the eastern line of said West End Opportunity Zone Subdivision North 24 degrees 19 minutes 18 seconds East, 14.53 feet to a point at the northeast corner of said Lot 1, West End Opportunity Zone Subdivision;

Thence, North 24 degrees 19 minutes 18 seconds East, 45.48 feet to a point;

Thence, South 65 degrees 09 minutes 31 seconds East, 582.78 feet to a point on the western line of the Aerisyn Opportunity Zone Business Tract, recorded in Deed Book 11683, Page 82 in the Register's Office of Hamilton County, Tennessee;

Thence, with and along the western line of said Aerisyn Opportunity Zone Business Tract South 24 degrees 25 minutes 01 seconds West, 60.00 feet to a point;

Thence, leaving said western line of said Aerisyn Opportunity Zone Business Tract North 65 degrees 09 minutes 31 seconds West, 14.86 feet to the POINT OF BEGINNING. Said easement herein contains 34,963.653 Sq Ft or 0.803 Acres.

Legal Description of Sanitary Sewer Easement Area

A 10 foot wide Sanitary Sewer Service Line Easement located on a portion of the property known as the West End Property II, LLC tract situated in the City of Chattanooga, Hamilton County, Tennessee and being recorded in Deed Book 11360, Page 381 in the Register’s Office of Hamilton County, Tennessee and being more particularly described as follows:

Commencing at a point at the northeast corner of the Lot 1, West End Opportunity Zone Subdivision recorded in Plat Book 116, Page 170 in the Register’s Office of Hamilton County, Tennessee and also being a common corner with the said West End Property II, LLC tract, said point having Tennessee State Plane Grid Coordinates (NAD83) of North=258,851.008 and East=2,170,745.982;

Thence, leaving said point South 84 degrees 55 minutes 24 seconds East, 186.38 feet to a point on the centerline of the said 10 foot wide Private Sanitary Sewer Service Line Easement and on the western side of a 20 foot wide Public Sanitary Sewer Easement recorded in Plat Book 115, Page 132 in the Register’s Office of Hamilton County, Tennessee, said point having Tennessee State Plane Grid Coordinates (NAD83) of North=258,834.516 and East=2,170,931.628, said point being hereafter referred to as the POINT OF BEGINNING;

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Thence, with and along the centerline of said easement, herein described, the extents of which being 5.00 feet on either side of the described centerline the following calls, North 66 degrees 10 minutes 45 seconds West, 175.43 feet to a point;

Thence, North 66 degrees 22 minutes 04 seconds West, 51.45 feet to a point;

Thence, South 72 degrees 57 minutes 43 seconds West, 106.74 feet to a point;

Thence, South 27 degrees 03 minutes 04 seconds West, 96.35 feet to a point;

Thence, South 28 degrees 45 minutes 50 seconds West, 75.43 feet to a point;

Thence, South 17 degrees 56 minutes 22 seconds West, 74.58 feet to a point;

Thence, South 23 degrees 40 minutes 29 seconds West, 79.58 feet to a point;

Thence, South 73 degrees 01 minutes 46 seconds East, 10.39 feet to a point on the common line between said West End Property II, LLC tract and Lot 1, The Bend Big Blue Subdivision recorded in Plat Book 121, Page 33, in the Register's Office of Hamilton County, Tennessee, said point being the termination point of the easement herein described.

Said easement herein contains 6,699.484 Sq Ft or 0.154 Acres.

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Reciprocal Access and Utility Easement Agreement (Alley) dated July 28, 2021 between West End Property II, LLC and Aerisyn Opportunity Zone Business, LLC recorded in Book _____, Page _____ in the ROHCT.

Description of Easement Area

An Ingress/Egress & Utility Easement located on a portion of the property known as the West End Property II, LLC tract situated in the City of Chattanooga, Hamilton County, Tennessee and being recorded in Deed Book 11360, Page 381 in the Register's Office of Hamilton County, Tennessee and a portion of Lot 1, The Bend Big Blue Subdivision recorded in Plat Book 121, Page 33, in the Register's Office of Hamilton County, Tennessee, said easement being more particularly described as follows:

Beginning at a point at the northeast corner of said Lot 1, The Bend Big Blue Subdivision at a common corner with the said West End Property II, LLC tract, said point having Tennessee State Plane Grid Coordinates (NAD83) of North=258,599.224 and East=2,171,255.279; said point being hereafter referred to as the POINT OF BEGINNING;

Thence, leaving said point, South 65 degrees 09 minutes 31 seconds East, 14.86 feet to a point on the western line of the Aerisyn Opportunity Zone Business tract recorded in Deed Book 11683, Page 82 in the Register's Office of Hamilton County, Tennessee;

Thence, with and along the common line between the said Aerisyn Opportunity Zone Business tract and the said West End Property II, LLC tract South 24 degrees 25 minutes 01 seconds West, 614.46 feet to a point;

Thence, leaving said common line South 16 degrees 16 minutes 12 seconds West, 204.39 feet to a point back on the common line between the said Aerisyn Opportunity Zone Business tract and the said West End Property II, LLC tract;

Thence, with and along the common line between the said Aerisyn Opportunity Zone Business tract and the said West End Property II, LLC tract South 23 degrees 11 minutes 39 seconds West, 4.58 feet to a point;

Thence, South 64 degrees 05 minutes 18 seconds East, 1.09 feet to a point;

Thence, South 24 degrees 22 minutes 34 seconds West, 226.03 feet to a point;

Thence, leaving said common line South 04 degrees 47 minutes 24 seconds West, 79.75 feet to a point;

Thence, South 24 degrees 16 minutes 43 seconds West, 42.50 feet to a point on the norther right-of-way of CSX Railway having a right-of-way width that varies;

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Thence, with and along said right-of-way in a curve to the right having a radius of 408.51 feet, a length of 60.02 feet, and being subtended by a chord of North 70 degrees 05 minutes 20 seconds West, 59.96 feet to a point;

Thence, continuing along said right-of-way North 66 degrees 06 minutes 20 seconds West, 12.80 feet to a point at the southeast corner of said Lot 1, The Bend Big Blue Subdivision;

Thence, continuing along said right-of-way with the common line of said Lot 1, The Bend Big Blue Subdivision North 66 degrees 06 minutes 20 seconds West, 15.00 feet to a point;

Thence, leaving said right-of-way North 24 degrees 26 minutes 33 seconds East, 1170.22 feet to a point on the northern line of said Lot 1, The Bend Big Blue Subdivision;

Thence, with and along the northern line of said Lot 1, The Bend Big Blue Subdivision, South 65 degrees 09 minutes 31 seconds East, 15.00 feet to the POINT OF BEGINNING.

Said easement herein contains 51,020.331 Sq Ft or 1.171 Acres.

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Access and Utilities Easement Agreement (Closed Main Street) dated July 28, 2021 between Aerisyn Opportunity Zone Business, LLC and West End Property II, LLC recorded in Book _____, Page _____ in the ROHCT.

Legal Description of Easement Area

A 60.00 foot wide Ingress/Egress & Utility Easement located on a portion of the property known as the Aerisyn Opportunity Zone Business Tract situated in the City of Chattanooga, Hamilton County, Tennessee and being recorded in Deed Book 11683, Page 82 in the Register's Office of Hamilton County, Tennessee, said easement being more particularly described as follows:

Commencing at a point on the western right-of-way of Riverfront Parkway, having a right-of-way width of 80.00 feet at the southeast corner of Lot 1, ABB Combustion Engineering, Inc. Subdivision, recorded in Plat Book 90, Page 135 in the Register's Office of Hamilton County, Tennessee, said point having Tennessee State Plane Grid Coordinates (NAD83) of North=258,301.187 and East=2,172,086.142 and being hereafter referred to as the POINT OF COMMENCEMENT;

Thence, leaving said point, with and along the said right-of-way of Riverfront Parkway South 24 degrees 07 minutes 40 seconds West, 18.59 feet to a point at the northeast corner of the easement herein described, said point having Tennessee State Plane Grid Coordinates (NAD83) of North=258,284.217 and East=2,172,078.541 and being hereafter referred to as the POINT OF BEGINNING;

Thence, leaving said point, with and along the said right-of-way of Riverfront Parkway South 24 degrees 07 minutes 40 seconds West, 60.00 feet to a point;

Thence, North 65 degrees 09 minutes 31 seconds West, 865.31 feet to a point on the western line of the said Aerisyn Opportunity Zone Business Tract;

Thence, with and along the said wester line of the said Aerisyn Opportunity Zone Business Tract North 24 degrees 25 minutes 01 seconds East, 60.00 feet to a point;

Thence, leaving said wester line South 65 degrees 09 minutes 31 seconds East, 865.01 feet to the POINT OF BEGINNING.

Said easement herein contains 51,909.778 Sq Ft or 1.192 Acres.

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Declaration of Temporary Access Easement and Use (Soil Relocation) dated July 28, 2021 by West End Property II, LLC recorded in Book _____, Page _____ in the ROHCT.

No legal except in site plan

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EXHIBIT B

Secondary Market Transaction Information

(A) Any proposed program for the renovation, improvement or development of the Property, or any part thereof, including the estimated cost thereof and the method of financing to be used.

(B) The general competitive conditions to which the Property is or may be subject.

(C) Management of the Property.

(D) Occupancy rate expressed as a percentage for each of the last five years.

(E) Principal business, occupations and professions carried on, in, or from the Property.

(F) Number of Tenants occupying 10% or more of the total rentable square footage of the Property and principal nature of business of such Tenant, and the principal provisions of the leases with those Tenants including, but not limited to: rental per annum, expiration date, and renewal options.

(G) The average effective annual rental per square foot or unit for each of the last three years prior to the date of filing.

(H) Schedule of the lease expirations for each of the ten years starting with the year in which the registration statement is filed (or the year in which the prospectus supplement is dated, as applicable), stating:

(1) The number of Tenants whose leases will expire.

(2) The total area in square feet covered by such leases.

(3) The annual rental represented by such leases.

(4) The percentage of gross annual rental represented by such leases.

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EXHIBIT C

FORM OF ADDITIONAL ACCESS EASEMENT AGREEMENT

(Attached)

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Drawn by and Return to:
Miller & Martin PLLC (RLD)
Suite 1200 Volunteer Building
832 Georgia Avenue
Chattanooga, TN 37402

New Owner Name and Address:
_____
353 Corporate Place
Chattanooga, TN 37419

Send Tax Bills To:
_____
353 Corporate Place
Chattanooga, TN 37419

Map Parcel No.:
Part of _____

DECLARATION OF
ACCESS AND UTILITIES EASEMENT

THIS DECLARATION OF ACCESS AND UTILITIES EASEMENT (this "Declaration") is made as of the _____ day of _____, 20___ ("Effective Date"), by _____, a _____ ("Declarant").

WITNESSETH THAT:

WHEREAS, Declarant owns the parcel of land more particularly described on Exhibit A attached hereto and made a part hereof, being defined as the "Burdened Parcel"; and

WHEREAS, Declarant's affiliate, Novonix 1029, LLC, owns or leases the parcel of land adjacent to the Burdened Parcel, as more particularly described on Exhibit B attached hereto and made a part hereof, being defined as the "Benefitted Parcel"; and

WHEREAS, Declarant desires to establish for the benefit of the Benefitted Parcel, permanent easements for pedestrian and vehicular ingress and egress and utilities over and under the Burdened Parcel; and

WHEREAS, Declarant desires to document the creation of such easements and the respective responsibilities as to the installation, use, repair, maintenance and replacement of the improvements now, or hereafter, contained therein; and

WHEREAS, as used herein, the terms "Parcel" and "Parcels" shall refer to the Burdened Parcel and the Benefitted Parcel, as well as any future parcel created from a subdivision of any of such Parcel as appropriate in the context, and the term "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Parcel, and any tenant thereof, but excluding any party having such interest merely as security for the performance of any obligation.

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NOW, THEREFORE, in consideration of the premises herein contained, and of other good and valuable consideration, the receipt and legal sufficiency of all of which hereby are acknowledged, and for the purposes set forth above, Declarant hereby declares for itself, and its successors and assigns with respect to the Burdened Parcel, as follows:

1. **Grant of Easement**. Declarant hereby establishes, grants and conveys to and for the benefit of the Owner of the Benefitted Parcel, its successors and assigns, and for the benefit of the Benefitted Parcel and all portions thereof, a non-exclusive, perpetual easement over and under and including the right to the use of all portions of the Burdened Parcel, for their intended purposes of ingress, egress, passage and delivery by vehicles and pedestrians, as well as for the installation, use, maintenance, repair and replacement of utilities serving the Benefitted Parcel and connecting to public utilities, to and from the Benefitted Parcel, in accordance with the terms hereof to and from the public right of way of West 19th Street. The foregoing easements within the Burdened Parcel are hereinafter collectively referred to as "Easements". The Easements granted herein shall be for the benefit of, but not restricted solely to the Owner of the Benefitted Parcel and its tenants, subtenants, customers, employees, agents, business invitees, successors and assigns; provided, however, the Easements are not intended nor shall they be construed as creating any rights in or for the benefit of the general public.

2. **No Relocation of Easement Areas**. The Easements shall not be relocated or closed by Declarant, its successors, assigns or any other party without the prior written approval (given in the reasonable discretion of the benefitted party) of the Owner of the Benefitted Parcel and/or its respective successors-in-title and any mortgagee having a lien on the fee simple interest to the Benefitted Parcel, or any portion thereof.

3. **No Obstructions**. Declarant declares and agrees neither it, nor its successors or assigns will erect, or allow the erection of obstructions on the Burdened Parcel that interfere with the intended use of the Easements; provided that Declarant shall have the right to temporarily close portions of the Easements from time to time, as may be reasonably required for the purpose of repairing or replacing the pavement, utilities, or other improvements located thereon and to prevent the accrual of rights by the public in any portion of the Burdened Parcel. Except in emergency situations, such action shall be taken only after at least five (5) business days' written notice to the Owner of the Benefitted Parcel. Any such repair or replacement shall be completed as soon as reasonably practicable under the circumstances in order to minimize disruption of the use of the Easements as provided hereunder.

4. **Maintenance and Repair**. In consideration of the grant of the Easements herein, the Owner of the Benefitted Parcel, its successors and assigns, shall be responsible, at its sole expense, for the repair, maintenance in good condition and replacement of the improvements on the Burdened Parcel in compliance with all laws, codes and ordinances to at least the existing standards as of the Effective Date; provided that the Owner of the Burdened Parcel, its successors and assigns, shall be responsible for the repair of any damage to any of the improvements on the Burdened Parcel and the cost thereof caused by its negligence or its unreasonable use thereof.

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(b) Declarant, as owner of the Burdened Parcel, and the current or any future Owner of the Benefitted Parcel, each at its own expense, unless there is a written agreement to the contrary, reserves the right from time to time to relocate utilities located on the Burdened Parcel to, or install new utilities at, other locations on the Burdened Parcel to accommodate development on their respective properties, provided utility service and access shall be maintained in an uninterrupted and adequate condition as required by this Declaration during any such relocation, the Owner performing the work shall restore the surface to a condition substantially the same as its condition prior to such work, and further provided the Owner performing the work shall review with the other Owner the plans for such relocation.

5. **Indemnity**. In consideration of the Easements granted herein, the Owner of the Benefitted Parcel and the Owner of the Burdened Parcel each shall indemnify, defend and hold the other Owner harmless against any and all claims, demands, liabilities, damages and losses and any incidental expenses (including, without limitation, reasonable attorneys' fees) resulting from injury to or death of persons or damage to property arising out of the use of the Burdened Property by the indemnifying party, its employees and agents; provided, however, that this indemnification shall not extend to any claims caused in whole or in part by any act or omission of the indemnified party, its tenants, or their respective employees, agents and contractors. Each Owner shall maintain commercial general liability insurance, covering its activities, including activities of its employees, agents and invitees on thee Burdened Parcel in an amount of not less than $2,000,000, which insurance shall include the other party as an additional insured, and shall provide evidence of such upon request by any other party hereto.

6. **No Dedication**. Nothing contained herein shall be deemed to be a gift or dedication of any land to the general public or for any public use or purpose whatsoever. Except as specifically set forth herein, no right, privilege or immunity of any party shall inure to the benefit of any third party nor shall any third party be deemed to be a beneficiary of this Declaration. It is specifically agreed that the only parties who may enforce this Declaration are the parties hereto and their respective successors and assigns.

7. **Notices**. All notices, elections or other communications authorized, required or permitted under this Declaration will be made in writing and will be deemed given when received (or the date when delivery is refused) by the party to whom such notice is sent. Notice may be given by: (i) overnight courier service (*e.g.*, FedEx), postage prepaid; or (ii) U.S. certified mail, return receipt requested, postage prepaid; or (iii) email correspondence with verification of receipt, as follows:

To Declarant (as Owner of the Burdened Parcel):

_____
_____
_____
Attn.: _____

With copy to: _____
_____
_____

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To Owner of the Benefitted Parcel):

_____
_____
_____
Attn.: _____

With copy to: _____
_____
_____

8. **Covenants Running With Land**. The obligations, easements and conditions contained in this Declaration are covenants running with the land; and they are made for the benefit of Declarant, each future Owner of any Parcel, and the grantees, successors, assigns, lessees, agents, employees and invitees of each of the foregoing. The Owner of each Parcel shall have no liability under this Declaration except with respect to matters occurring during the period of its ownership of its parcel. All terms, covenants and easements in this Declaration shall be binding upon and inure to the benefit of Declarant and Grantee and their respective successors and assigns.

9. **Estoppels**. Within fifteen (15) days of a party's request to the other party, the requested party shall execute and deliver to the requesting party an estoppel certificate in a form reasonably acceptable to such certifying party as to the terms and status of this Declaration.

10. **Amendments**. This Declaration may be amended only by a written agreement executed by the Owner of the Burdened Parcel and the Benefitted Parcel. Any such amendment shall be properly recorded in the Office of the Register for Hamilton County, Tennessee.

11. **Miscellaneous**. This Declaration has been entered into, and shall be construed in accordance with, the laws of the State of Tennessee, excluding its principles of conflicts of laws. This Declaration sets forth the entire agreement of the parties with respect to the matters set forth herein, and supersedes any prior written or oral understandings between the parties with respect to those matters.

12. **Recitals**. The Recitals set forth in this Declaration are a part of this Declaration for all purposes.

[signatures begin on following page]

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IN WITNESS WHEREOF, Declarant has executed and delivered this Declaration as of the day and year first written above.

DECLARANT:

_____,
a _____

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF TENNESSEE
COUNTY OF HAMILTON

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she, in his/her capacity as the _____ of _____, a _____, and as the duly authorized act of said entity, executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ___ day of _____, 20___.

_____
Notary Public for the State of Tennessee
My commission expires: _____

[Notary Seal]

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STATE OF TENNESSEE)
COUNTY OF HAMILTON)

I hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is $1.00, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

_____
AFFIANT

Subscribed and sworn to before me on
this _____ day of _____, 2021.

_____
Notary Public

My Commission Expires:

_____

[Affix Notarial Seal]

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EXHIBIT A

Legal Description of Burdened Parcel

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EXHIBIT B

Legal Description of Benefitted Parcel

Tract 1:

In the City of Chattanooga, Hamilton County, Tennessee, Lot One (1), as designated on the Final Plat of Lot 1, The Bend Big Blue Subdivision, recorded in Plat Book 121, Page 33 in the Register's Office of Hamilton County, Tennessee.

Being part of the property conveyed to West End Property II, LLC by Deed recorded in Book 11360, Page 381 in the Register's Office of Hamilton County, Tennessee.

Tract 2:

A tract of land situated in the City of Chattanooga, Hamilton County, Tennessee and being a portion of Tract C conveyed by The Alabama Great Southern Railway Company to West End Property II, LLC recorded in Book 12574, Page 857 in the Register's Office of Hamilton County Tennessee. Said portion of Tract C being more particularly described as follows:

Beginning at a point in the southeast corner of Lot 1, The Bend Big Blue Subdivision, recorded in Plat Book 121, Page 33 in the Register's Office of Hamilton County, Tennessee on the west right-of-way of property now or formerly owned by CSX Railway, said point having Tennessee State Plane Grid Coordinates of North 257,537.803 and East 2,170,745.613, said point being hereafter referred to as the POINT OF BEGINNING;

Thence, leaving said point, with and along the said CSX property South 24 degrees 10 minutes 02 seconds West, 1.44 feet to point;

Thence, with and along the new division line between The Alabama Great Southern Railway Company and West End Property II, LLC the following calls and distances, North 65 degrees 25 minutes 35 seconds West, 56.95 feet to point;

Thence, in a curve to the right having a radius of 463.53 feet a length of 453.71 feet and being subtended by a chord of North 37 degrees 23 minutes 08 seconds West, 435.81 feet to point;

Thence, leaving the new said division line in a curve to the right having a radius of 200.00 feet a length of 107.28 feet and being subtended by a chord of North 06 degrees 01 minutes 21 seconds East, 106.00 feet to point on the existing property line of said Lot 1, The Bend Big Blue Subdivision;

Thence, with and along the existing line of said Lot 1, The Bend Big Blue Subdivision the following call and distances,

In a curve to the left having a radius of 455.56 feet a length of 99.13 feet and being subtended by a chord of South 04 degrees 31 minutes 39 seconds East, 98.94 feet to point;

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Thence, in a curve to the left, having a radius of 478.18 feet a length of 225.39 feet and being subtended by a chord of South 24 degrees 15 minutes 54 seconds East, 223.31 feet to point;

Thence, South 37 degrees 46 minutes 06 seconds East, 28.34 feet to point;

Thence, in a curve to the left, having a radius of 395.44 feet a length of 152.34 feet and being subtended by a chord of South 47 degrees 31 minutes 43 seconds East, 151.40 feet to point;

Thence, South 58 degrees 33 minutes 54 seconds East, 90.56 feet the POINT OF BEGINNING.

Said Portion of Tract C herein contains 10,053.207 Sq.Ft. or 0.231 Acres.

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Exhibit 4.9

NOVONIX Limited

And

Phillips 66 Company

Subscription Agreement

Dated 9 August 2021

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This Agreement is made on 9 August 2021

Parties

1 **NOVONIX Limited** ACN 157 690 830 of Level 8, 46 Edward Street, Brisbane QLD 4000 (the ***Issuer***).

2 **Phillips 66 Company**, a Delaware corporation, of 2331 CityWest Blvd., Houston, Texas 77042, United States (the ***Subscriber***).

Recital

The Subscriber wishes to Subscribe for, and the Issuer wishes to issue, the Subscription Shares on the terms and conditions of this Agreement.

It is agreed as follows.

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply unless the context requires otherwise.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

ASX Listing Rules means the listing rules of ASX as waived or modified in respect of the Issuer.

Authorisation includes any authorisation, approval, consent, licence, permit, franchise, permission, filing, registration, resolution, direction, declaration, or exemption.

Board means the Board of directors of the Issuer.

Business Day means a day which is not a Saturday, Sunday or a public holiday in Brisbane, Queensland.

Completion means the completion of the subscription for, and the issue of, the Subscription Shares in accordance with this Agreement on the Completion Date and ***Complete*** has a corresponding meaning.

Completion Date means the date that is five (5) Business Days after the date on which the last of the Conditions Precedent have been satisfied or waived in accordance with clause 2.5.

Condition Precedent means the condition precedent to Completion specified in clause 2.1.

Condition Precedent End Date means November 1, 2021 or such other date as is agreed by the parties in writing.

Constitution means the constitution of the Issuer.

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Consultation Right has the meaning given in clause 6(a).

Corporations Act means the *Corporations Act 2001* (Cth).

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth) and the *Foreign Acquisitions and Takeovers Regulation 2015* (Cth).

Governmental Agency means any:

(a) government or governmental, semi-governmental or judicial entity or authority; or

(b) minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government.

It also includes any regulatory organisation established under statute or any stock exchange.

Group means the Issuer and each of its subsidiaries.

Notice of Meeting means the notice of general meeting of members of the Issuer to consider, and if thought fit, approve the issue and allotment of the Subscription Shares as contemplated by clause 2.4.

Offer has the meaning given in clause 6(a).

Shares means fully paid ordinary shares in the capital of the Issuer.

Signing Date means the date on which this Agreement is executed by both parties.

Sophisticated or Professional investors means any of the categories of investors to whom offers of securities can be made under Section 708 of the Corporations Act.

Specified Clauses means clauses 1, 7, 8, 9 and 10.

Subscriber Nominee has the meaning given in clause 5(a).

Subscription Price means one hundred and fifty million U.S. dollars (USD 150,000,000.00)

Subscription Shares means 77,962,578 Shares.

Subscriber Holding Requirement means 10% or more of the Shares on issue at the time.

1.2 Interpretation

(a) Headings are for convenience only and do not affect interpretation.

(b) Mentioning anything after *includes, including, for example,* or similar expressions, does not limit what else might be included.

(c) The following rules apply unless the context requires otherwise.

(i) The singular includes the plural, and the converse also applies.

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(ii) A gender includes all genders.

(iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(iv) A reference to a *person* includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.

(v) A reference to a clause, Schedule or Annexure is a reference to a clause of, or Schedule or Annexure to, this Agreement.

(vi) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Agreement or that other agreement or document.

(vii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.

(viii) A reference to a party to this Agreement or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives)

(ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

(x) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.

(xi) A reference to *a right* or *obligation* of any two or more people comprising a single party confers that right, or imposes that obligation, as the case may be, on each of them severally and each two or more of them jointly. A reference to that party is a reference to each of those people separately (so that, for example, a representation or warranty by that party is given by each of them separately).

(xii) A reference to a day means a day in the jurisdiction where the relevant obligation is to be performed.

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1.3 Statements on the basis of knowledge or belief

Any statement made by a party on the basis of its knowledge and belief or awareness is made on the basis that the party has, in order to establish that the statement is true and not misleading in any respect:

(a) made all reasonable inquiries of the officers, managers, employees and other persons with responsibility for the matters to which the statement relates; and

(b) if those inquiries would have prompted a reasonable person to make further inquiries, made those further inquiries,

and that, as a result of those inquiries, the party has no reason to doubt that the statement is true and not misleading in any respect.

2 CONDITIONS TO COMPLETION

2.1 Condition Precedent

The respective obligations of each party to consummate the transactions contemplated by this Agreement are subject to the shareholders of the Issuer approving the issue and allotment of the Subscription Shares contemplated by this Agreement by the requisite majorities under Listing Rule 7.1 and otherwise in accordance with the Corporations Act and the ASX Listing Rules at a duly convened general meeting of the Issuer.

2.2 Other conditions

(a) The obligation of the Subscriber to consummate its purchase of the Subscription Shares under this Agreement shall be subject to the Issuer delivering to the Subscriber on the Completion Date a certificate of the Chief Executive Officer and the Chief Financial Officer of the Issuer, on behalf of the Issuer, dated the Completion Date, certifying, in their applicable capacities, to the effect that:

(i) the representations and warranties of the Issuer contained in this Agreement are true and correct in all material respects (other than those representations and warranties that are qualified by materiality, which shall be true and correct in all respects) as of the Signing Date and the Completion Date (except that representations and warranties made as of a specific date shall be required to be true and correct as of such date only); and

(ii) there is not any pending suit, action or proceeding by any Governmental Agency seeking to restrain, preclude, enjoin or prohibit the transactions contemplated by this Agreement.

(b) The obligation of the Issuer to consummate the issue and allotment of the Subscription Shares under this Agreement shall be subject to the Subscriber delivering to the Issuer on the Completion Date a certificate of an authorized officer, on behalf of the Subscriber, dated the Completion Date, certifying, in his or her capacity, to the effect that the representations and warranties of the Subscriber contained in this Agreement are true and correct in all material respects (other than those representations and warranties that are qualified by materiality, which shall be true and correct in all respects) as of the Signing Date and the Completion Date (except that representations and warranties made as of a specific date shall be required to be true and correct as of such date only).

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2.3 Parties must co-operate

Each party must co-operate with the other and use their respective reasonable best efforts to take or cause to be taken all actions necessary or advisable on their respective parts under this Agreement and applicable laws and regulations to consummate the transactions contemplated by this Agreement as promptly as practicable after the date of this Agreement.

2.4 Shareholder approval

Without limiting the generality of clause 2.3, the Issuer must:

(a) promptly prepare a Notice of Meeting;

(b) provide the Subscriber with a draft of the Notice of Meeting and consider the Subscriber's comments prior to providing the draft Notice of Meeting to ASX for its review; and

(c) as soon as reasonably practicable after the Signing Date, convene a general meeting of Shareholders and despatch the Notice of Meeting to Shareholders.

2.5 Waiver

The Condition Precedent in clause 2.1 can only be waived by written agreement of the parties.

2.6 Termination before Completion

If the Condition Precedent in clause 2.1 is not satisfied, or waived in accordance with clause 2.5, by the Condition Precedent End Date, this Agreement will automatically terminate and (other than the Specified Clauses) will be null and void and of no effect.

3 AGREEMENT TO SUBSCRIBE AND COMPLETION

3.1 Subscription

The Subscriber will subscribe, and the Issuer will issue to the Subscriber, the Subscription Shares on the Completion Date for the Subscription Price.

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3.2 Agreement to serve as application

This Agreement serves as an application by the Subscriber for the allotment of the Subscription Shares on the Completion Date and accordingly it will not be necessary for the Subscriber to provide a separate (additional) application on or prior to the Completion Date.

3.3 Consent to become a member and Constitution

Upon issuance of the Subscription Shares, the Subscriber agrees to:

(a) become a member of the Issuer; and

(b) be bound by the Constitution.

3.4 Rights Attaching to Subscription Shares

The Subscription Shares will rank equally in all respects with all other Shares on issue when the Subscription Shares are issued.

3.5 Time and place of Completion

Completion will take place at 9am on the Completion Date or any other time agreed by the Issuer and Subscriber.

3.6 Simultaneous obligations at Completion

In respect of Completion:

(a) the obligations of the parties under this Agreement are interdependent and Completion will only occur once all obligations required at Completion are satisfied; and

(b) all actions required to be performed will be taken to have occurred simultaneously on the Completion Date.

4 UNDERTAKINGS

4.1 The Issuer's undertakings

The Issuer must:

(a) on the Completion Date, issue the Subscription Shares to the Subscriber and register, or procure the registration of, the Subscriber as the holder of the Subscription Shares;

(b) as soon as practicable after Completion, deliver, or procure the delivery by its share registrar to the Subscriber, of holding statements evidencing the Subscription Shares subscribed for by the Subscriber;

(c) within one Business Day after the Subscriber pays the Subscription Price in accordance with clause 4.2, apply for quotation of the Subscription Shares in accordance with the ASX Listing Rules at its own cost and use its best endeavours at its own cost to obtain quotation of the Subscription Shares;

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(d) as soon as practicable after the Completion Date, and in any event within five Business Days of the Completion Date, lodge with the ASX a statement meeting the requirements of sections 708A(5)(e) and 708A(6) of the Corporations Act; and

(e) immediately notify the Subscriber if at any time before the Completion Date the Issuer becomes aware of any third party objecting to, challenging, interfering with or obstructing (or proposing to object to, challenge interfere with or obstruct) any of the transactions contemplated by this Agreement.

4.2 The Subscriber's undertakings

The Subscriber must pay, or cause to be paid, the Subscription Price to the Issuer in immediately available funds on the Completion Date to the account notified by the Issuer to the Subscriber no less than six (6) days prior to the Completion Date.

5 APPOINTMENT OF DIRECTOR NOMINATED BY SUBSCRIBER

(a) As soon as practicable after the Completion Date, and provided that the Subscriber has delivered to the Issuer a consent to act, completed by its nominee, to be appointed as a non-executive director on the Board, the Issuer shall procure that the current directors of the Issuer appoint a representative of the Subscriber (nominated in writing by the Subscriber after consultation with the Issuer and otherwise in accordance with clause 5(b)) to the Board as a non-executive director of the Issuer (the ***Subscriber Nominee***), and the Issuer must then seek his or her election to the Board at the Issuer's next annual general meeting of shareholders, provided that any such Subscriber Nominee must satisfy the eligibility requirements under the Constitution, Corporations Act and ASX Listing Rules for appointment or election as a director of the Issuer.

(b) The Subscriber agrees that the Subscriber Nominee shall have the appropriate commercial and professional experience to fulfil the role of a director of the Issuer.

(c) Any Subscriber Nominee who is appointed as a director to the Board of the Issuer will be taken to have been appointed to represent the interests of the Subscriber and section 203D(1) of the Corporations Act applies.

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(d) Subject to clause 5(f), if the Subscriber Nominee appointed under clause 5(a) ceases to be a director of the Issuer for any reason, the Issuer must ensure that:

(i) the Board appoints another individual nominated by the Subscriber as a Subscriber Nominee to the Board as a director; and

(ii) the Board (other than the Subscriber Nominee) takes all reasonable steps to recommend unanimously the election or the re-election of the Subscriber Nominee to the Board as a director at any general meeting of the Issuer at which Subscriber Nominee is standing for re-election, except to the extent any director of the Issuer acting in good faith, determines that such recommendation would, or would be likely to, involve a breach of the director's fiduciary duties or breach of a regulatory requirement,

subject to the Subscriber Nominee satisfying the eligibility requirements under the Constitution, Corporations Act and ASX Listing Rules for appointment or election as a director of the Issuer (including the provision of a written consent to act).

(e) Subject to clause 5(f) the Subscriber may, at any time and in its absolute discretion, remove a Subscriber Nominee and nominate a replacement Subscriber Nominee, in respect of whom the Issuer's obligations pursuant to clause 5(d) will apply.

(f) If the Subscriber fails to satisfy the Subscriber Holding Requirement, and that failure continues for three consecutive months:

(i) the operation of clauses 5(a) to 5(e) will cease; and

(ii) the Subscriber will immediately procure that the Subscriber Nominee tender to the Issuer his or her resignation from the Board with immediate effect.

(g) Nothing in this clause 5 shall require the Subscriber to nominate a Subscriber Nominee.

6 CONSULTATION RIGHT

(a) Subject to clauses (b) through (d) below, the Issuer agrees that before making a non-pro rata issue of Shares (***Offer***), it will notify the Subscriber of the Offer and consult with the Subscriber in good faith to provide the Subscriber a reasonable opportunity to participate in the Offer on equivalent terms to other investors (the ***Consultation Right***).

(b) The Subscriber will have the benefit of the Consultation Right for so long as the Subscriber Holding Requirement is met.

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(c) This clause does not apply to any potential Offer disclosed to the Subscriber, in writing and referencing this Agreement, prior to the date of this Agreement or to any Offer:

(i) to employees of the Issuer under any employee incentive plan approved by shareholders;

(ii) arising from the exercise, exchange or conversion of any convertible securities issued by the Issuer prior to the date of this Agreement; or

(iii) under a takeover bid or under a merger by way of a scheme of arrangement under Part 5.1 of the Corporations Act.

(d) The Issuer shall be under no obligation to comply with the Consultation Right if the Board determines, acting in good faith, after receiving written legal advice from counsel, that compliance with the Consultation Right would be determined to be unenforceable or unlawful by a court or regulatory body or prohibited by the ASX Listing Rules.

7 REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties by the Issuer

The Issuer represents and warrants to the Subscriber that each of the following statements is true, accurate and not misleading as at each of the Signing Date and the Completion Date:

(a) (**status**) It is a body corporate validly existing under the laws of its place of incorporation or establishment.

(b) (**corporate power**) It has the corporate power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement.

(c) (**corporate action**) It has taken all necessary corporate action to authorise the entry into and performance of this Agreement and to carry out the transactions contemplated by this Agreement. On the Completion Date, full beneficial title in the Subscription Shares will vest in the Subscriber.

(d) (**accuracy and completeness**) All information relating to the Issuer and the Group and the Issuer and/or the Group's operations provided to the Subscriber or its advisers in connection with the proposed investment by the Subscriber in the Issuer as contemplated by this Agreement, and all information publicly disclosed by the Issuer, is true in all material respects and is not by omission or otherwise misleading in any material respect. Nothing has occurred which renders any of the material which has been disclosed to the Subscriber or its advisers, or which has been publicly disclosed by the Issuer, inaccurate in any material respect.

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(e) (**disclosure compliance**) It has complied with all its disclosure requirements under the Corporations Act and the ASX Listing Rules and there is no material information or circumstance which the Issuer is not obliged to disclose, pursuant to Listing Rule 3.1.

(f) (**no material adverse change**) Since 31 December 2020, there has been no material adverse change in the financial condition or prospects of the Group.

(g) (**binding obligation**) This Agreement is its valid and binding obligation.

(h) (**no contravention**) Neither the entry into nor performance by it of this Agreement nor any transaction contemplated under this Agreement violates in any material respect any provision of any judgment binding on it, its constituent documents, any law or any document, agreement or other arrangement binding on it or its assets.

(i) (**consents/approvals**) Except for:

(i) the approval of shareholders to issue the Subscription Shares as contemplated in clause 2; and

(ii) the approval of ASX for quotation of the Subscription Shares to the Official List of ASX,

no consent, approval, Authorisation, order, registration or qualification of or with any Governmental Agency or any other person is required for the Issuer to perform its obligations under this Agreement.

(j) (**no finder**) Neither the Issuer nor any party acting on its behalf has paid or become liable to pay any fee or commission to any broker, finder or intermediary for or on account of transactions contemplated by this Agreement.

The representations and warranties by the Issuer in this clause 7.1 are continuing obligations of the Issuer and survive the issue of the Subscription Shares and do not merge on the Completion Date.

7.2 Representations and Warranties by the Subscriber

The Subscriber represents and warrants to the Issuer that each of the following statements is true, accurate and not misleading as at each of the Signing Date and the Completion Date:

(a) (**status**) It is a body corporate validly existing under the laws of its place of incorporation or establishment.

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(b) **(corporate power)** It has the corporate power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement.

(c) **(corporate action)** It has taken all necessary corporate action to authorise the entry into and performance of this Agreement and to carry out the transactions contemplated by this Agreement.

(d) **(binding obligation)** This Agreement is its valid and binding obligation.

(e) **(no contravention)** Neither the entry into nor performance by it of this Agreement nor any transaction contemplated under this Agreement violates in any material respect any provision of any judgment binding on it, its constituent documents, any law or any document, agreement or other arrangement binding on it or its assets.

(f) **(Sophisticated or Professional Investor)** It is a Sophisticated or Professional Investor.

(g) **(FIRB)** It is not a 'foreign government investor' (as defined in the FATA) or an 'associate' (as defined in the FATA) of a 'foreign government investor'.

(h) **(reliance)** At no time has:

(i) the Group, or any other person on behalf of it, communicated to the Subscriber; or

(ii) the Subscriber relied on,

any representation, warranty, promise or undertaking in respect of the future financial performance or prospects of the Group.

(i) **(own enquiries)** It has made its own enquiries and relied upon its own assessment of the Subscription Shares and the Group, and has conducted its own investigation with respect to the Subscription Shares and the Group and has decided to agree to subscribe for the Subscription Shares based on its own enquiries.

8 CONFIDENTIALITY

8.1 Announcements

Neither party will make any public announcements or statements in relation to this Agreement or its subject matter except in accordance with the earlier written approval of the other, which approval shall not be unreasonably withheld.

8.2 Confidentiality agreement

Each party acknowledges and agrees that it continues to be bound by the Confidentiality Agreement dated May 5, 2021 between the parties.

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9 INDEMNITY

9.1 Indemnity

The Issuer indemnifies the Subscriber against each claim, action, proceeding, judgment, damage, costs, loss, expense or liability (including legal costs on a full indemnity basis) incurred or suffered by or brought by or made or recovered against the Subscriber in connection with or arising out of any breach of any provision of this Agreement by the Issuer.

9.2 Consequential loss

The Issuer excludes all liability for indirect and consequential loss or damage (including for loss of profit (whether direct, indirect, anticipated or otherwise), loss of expected savings, opportunity costs, loss of business (including loss or reduction of goodwill), damage to reputation and loss or corruption of data regardless of whether any or all of these things are considered to be indirect or consequential losses or damage) in contract, tort (including negligence), under any statute or otherwise arising from or related in any way to this Agreement or its subject matter, except that consequential loss does not include any loss arising naturally and in the usual course of things from the relevant breach of this Agreement.

10 GENERAL

10.1 Governing Law and Jurisdiction

This Agreement is governed by the laws of Queensland. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

10.2 Notices

Any notice, demand, consent or other communication (a ***Notice)*** given or made under this Agreement:

(a) must be in writing and signed by the sender or a person duly authorised by the sender (or in the case of email, set out the first and last name and position or title of the sender or person duly authorised by the sender);

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(b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by email to the address or email address below or the address or email address last notified by the intended recipient to the sender:

(i) to the Issuer:

Address: Novonix
177 Bluewater Road
Bedford, NS B4B 1H1
Canada

Email: chris@novonixgroup.com
rashda@novonixgroup.com

Attention: Chris Burns
Rashda Buttar

(ii) to the Subscriber:

Address: Phillips 66 Company
2331 CityWest Blvd.
Houston, Texas 77042

Email: Kathy.b.woody@p66.com
Jim.g.glenn(a)p66.com

Attention: Kathy Woody
Jim Glenn

With a copy to:

Address: Phillips 66 Company
2331 CityWest Blvd.
Houston, Texas 77042
HQ-13N-N1316

Attention: Deputy General Counsel,
Corporate

(c) will be conclusively taken to be duly given or made and received:

(i) in the case of delivery by express post, to an address in the same country, two Business Days after the date of posting;

(ii) in the case of delivery by any other method of post, six (6) Business Days after the date of posting (if posted to an address in the same country) or 10 Business Days after the date of posting (if posted to an address in another country); and

(iii) in the case of email, at the earliest of:

(A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;

(B) the time that the intended recipient confirms receipt of the email by reply email; and

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(C) four hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that four hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made and received on a day that is not a business day, or after 5pm on a business day, in the place specified by the intended recipient as its postal address under clause 9.2(b), it will be conclusively taken to have been duly given or made and received at 9am on the first business day after that day.

10.3 Assignment

The Subscriber cannot assign, charge, create a security interest over, encumber or otherwise deal with any of its rights or obligations under this Agreement, or attempt or purport to do so, without the prior written consent of the Issuer.

10.4 No waiver

(a) No acquiescence, waiver or other indulgence granted by either party to any other party will in any way discharge or relieve that other party from any of its other obligations under this Agreement.

(b) A failure to exercise or a delay in exercising any right, power or remedy under this Agreement does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing. For the avoidance of doubt, the doctrine of affirmation by election will not apply to any failure by a party to exercise, or delay by a party in exercising, any right, power or remedy under this Agreement.

10.5 Costs and duty

Each party must bear its own costs arising out of the negotiation, preparation and execution of this Agreement. All duty (including any fines, penalties and interest) payable on or in connection with this Agreement and any instrument executed under or any transaction evidenced by this Agreement must be borne equally by the parties.

10.6 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will be ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

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10.7 Extent of obligations

If any payment under this Agreement becomes void by any statutory provision or otherwise, the obligations of the party that made the payment will be taken not to have been discharged in respect of that payment and the parties will be restored to the rights which each respectively would have had if that payment had not been made.

10.8 Entire agreement

This Agreement contains the entire agreement between the parties with respect to its subject matter. It sets out the only conduct, representations, warranties, covenants, conditions, agreements or understandings (collectively ***Conduct)*** relied on by the parties and supersedes all earlier Conduct by or between the parties in connection with its subject matter. Neither party has relied on or is relying on any other Conduct in entering into this Agreement and completing the transactions contemplated by it.

10.9 Amendment

This Agreement may be amended only by another agreement executed by all the parties.

10.10 Further assurances

Each party must do anything necessary (including executing agreements and documents) to give full effect to this Agreement and the transactions contemplated by it.

10.11 Counterparts

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

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Executed as an agreement

Phillips 66 Company

By: _____
Name: Timothy D. Roberts
Title: Executive Vice President, Midstream

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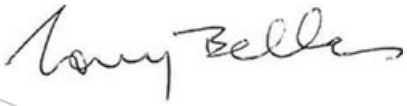
Signed by **NOVONIX Limited** in

accordance with section 127 of the

Corporations Act 2001 (Cth):



Signature of director

Anthony Bellas

Print Name

Signature of ~~director~~ / company secretary

Suzanne Yeates

Print Name

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Exhibit 8.1

List of Subsidiaries of NOVONIX Limited.

Company Name	Country of Incorporation
J.C. Burns Holding Company Limited	Canada
D.A. Stevens Holding Company Limited	Canada
GRA Operations Pty Ltd	Australia
MD South Tenements Pty Ltd	Australia
Novonix Corp.	United States (Delaware)
NOVONIX Anode Materials LLC (f/k/a PureGraphite)	United States (Delaware)
NOVONIX 1029 LLC	United States (Delaware)
NOVONIX Battery Technology Solutions, Inc.	Canada

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Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form 20-F of NOVONIX Limited of our report dated September 17, 2021 relating to the financial statements of NOVONIX Limited, which appears in this Registration Statement. We also consent to the references to us under the heading “Statement by Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers
Brisbane, Australia
January 6, 2022

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Exhibit 15.2

Date: 6 January 2022

CONSENT OF BENCHMARK MINERAL INTELLIGENCE LIMITED

We hereby consent to the use of our firm's name, Benchmark Mineral Intelligence Limited ("Benchmark"), in the Registration Statement on Form 20-F to be filed with the US Securities and Exchange Commission by NOVONIX Limited and any amendments thereto (the "Registration Statement"); the inclusion of information relating to the Battery Forecast Report Q1 2021 and data, as per Schedule 1 under the agreement, in the Registration Statement, and being named as an expert in the Registration Statement.

We further wish to advise that Benchmark was not employed on a contingent basis and that at the time of preparation of our report, as well as at present, neither Benchmark nor any of its employees had or now has a substantial interest in NOVONIX Limited or any of its affiliates or subsidiaries.

Respectfully Submitted By:

By: /s/ Simon Moores
Name: Simon Moores
Title: CEO

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