

Date: 23 August 2022

Haydale Graphene Industries plc

as Company

Warrant Instrument

constituting Warrants to subscribe for ordinary shares of 2 pence each in Haydale Graphene Industries plc

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THIS INSTRUMENT is made the 23 August 2022

BY:

HAYDALE GRAPHENE INDUSTRIES PLC a company registered in England (company registration no. 07228939) whose registered office is at Clos Fferws, Parc Hendre, Capel Hendre, Ammanford, Carmarthenshire SA18 3BL (the "**Company**").

BACKGROUND:

- (A) The Company has by a resolution of the Board of Directors passed on 23 August 2022 resolved to create and issue Warrants to subscribe for Ordinary Shares to be constituted in the manner hereinafter appearing.
- (B) This Instrument and the Schedules hereto constitute the Warrants.

NOW THIS INSTRUMENT WITNESSES and the Company hereby declares as follows:

1. Interpretation

1.1 In this Instrument, the following expressions shall have the following meanings:

"**Act**" means the Companies Act 2006, as amended from time to time;

"**AIM**" means AIM, a market of the London Stock Exchange Plc;

"**Business Day**" means a day (excluding a Saturday, Sunday or a public holiday) on which the clearing banks are open for normal business in the City of London;

"**Certificate**" means a certificate in the form set out in Schedule 1 to this Instrument;

"**Conditions**" means the terms and conditions of the Warrants as set out in Schedule 2;

"**CREST**" means the computerised settlement system and transfer procedures to facilitate the transfer of title of shares in uncertificated form of which EUI is the operator;

"**CREST Requirements**" means such rules and requirements of EUI as may be applicable to issuers from time to time as specified in the CREST Manual;

"**CREST Manual**" means the compendium of documents entitled "CREST Manual" issued by EUI from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, the CSS Operations Manual and the CREST Glossary of Terms;

"**EUI**" means Euroclear UK & International Limited;

"**Final Exercise Date**" means 14 September 2023;

"**Notice of Exercise**" as defined in Condition 1.2;

"**Ordinary Shares**" means ordinary shares of 2 pence each in the capital of the Company;

"**Register**" means register of person(s) for the time being entitled to the benefit of Warrant(s) to be maintained pursuant to the provisions of Condition 10.1;

"Registrar" means Share Registrars Limited of 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX, United Kingdom, or such other person or persons appointed by the Company from time to time to maintain the Register;

"Subscription Period" means the period from the date of this Instrument and expiring on the Final Exercise Date;

"Subscription Price" means 2 pence per Ordinary Share (subject to adjustment in accordance with the Conditions);

"Subscription Rights" means the right to subscribe for Ordinary Shares conferred by the Warrants as set out in Schedule 2; and

"Warrant Holder" means a registered holder for the time being of Warrants; and

"Warrants" means the Warrants constituted by this Instrument.

1.2 Terms defined in the Articles of Association of the Company as in force on the date of this Deed (the "**Articles**") shall, unless otherwise defined in this Deed, have the same meaning when used in this Deed and the schedules hereto.

1.3 Words denoting the singular shall include the plural and vice versa.

1.4 Words denoting the masculine gender shall include the feminine gender.

1.5 Words denoting persons only shall include corporations.

2. Subscription Rights

2.1 The Company undertakes that upon the exercise of the Subscription Rights by a Warrant Holder in accordance with the Conditions it shall allot and issue to that Warrant Holder the relevant number of Ordinary Shares to be allotted and Issued pursuant to the Subscription Rights In accordance with the Conditions.

2.2 The Company represents to the Warrant Holders that the Directors have authority to grant the Warrants pursuant to section 551 of the Act and are empowered pursuant to section 570 or 571 of the Act to grant the Warrants as if the pre-emption rights contained in section 561 of the Act did not apply to such grant.

3. Constitution and Form of Warrants

3.1 The Company creates, pursuant to a resolution of the Board of Directors dated 23 August 2022 and subject to the provisions of this Deed, the Warrants. Each Warrant shall entitle the holder to subscribe at any time during the Subscription Period for one Ordinary Share.

3.2 The Warrants shall be granted to the proposed Warrant Holder by deed poll and no further or other consideration shall be required from the proposed Warrant Holder.

3.3 Each Warrant Holder shall be entitled to a certificate substantially in the terms set out in Schedule 1. A Warrant shall bear the date on which the holder or holders thereof are entered on the Register as the holder or holders of such Warrants.

3.4 Joint holders of Warrants will be entitled to only one certificate In respect of their joint holding and such certificate will be delivered to the joint holder who is first-named on the Register in respect of the joint holding or to such other person as the joint holders may in writing direct to the Company.

3.5 The Company shall comply with the Conditions, which shall be deemed to be incorporated in this Deed and shall be binding on the Company and the holders of the Warrants (who shall be deemed to have notice of the terms thereof) and all persons claiming through or under them respectively.

4. Governing Law

This Deed is governed by, and shall be construed in accordance with, English law.

Schedule 1

Certificate of Warrant and Notice of Exercise

«DESPATCHADDRESS»
«BROKERCODE»
«DESPATCHADDRESS1»
«DESPATCHADDRESS2»
«DESPATCHADDRESS3»
«DESPATCHADDRESS4»
«DESPATCHADDRESS5»
«DESPATCHPOSTCODE»

This Certificate is valuable and should be kept in a safe place.

Certificate No.	Transfer No.	Holder No.	Firm Bargain Ref	Registration Date	Number of Warrants
«CertificateNumber»	«TransferNumber»	«InvestorID»	«Reference»	«RegistrationDate»	*«NumberOfShares»*

WARRANT CERTIFICATE

HAYDALE GRAPHENE INDUSTRIES PLC

Incorporated and registered in England and Wales under the Companies Act 2006
with registered number 07228939

WARRANTS TO SUBSCRIBE FOR «SECURITYDESCRIPTION» EACH

This is to certify that:

«NAME» A/C «DESIGNATION»
«INVESTORADDRESSLINE1»
«INVESTORADDRESSLINE2»
«INVESTORADDRESSLINE3»
«INVESTORADDRESSLINE4»
«INVESTORPOSTCODE»

+ «JOINT1NAME»
+ «JOINT2NAME»
+ «JOINT3NAME»

is/are the registered holder(s) of the within-mentioned Warrants HAYDALE GRAPHENE INDUSTRIES PLC (“Company”) issued pursuant to and in accordance with and subject to the terms and conditions of a warrant instrument dated ____ August 2022 (as from time to time amended) (the “Instrument”) executed by the Company. Words and expressions used in this Warrant Certificate shall have the same meanings as in the Instrument. The registered Warrant Holder is entitled in respect of every one Warrant held to subscribe for one Ordinary Share (or such other number of Ordinary Shares as may for the time being, be applicable in accordance with the provisions of the Instrument) at the Subscription Price (subject to adjustment as referred to in the Instrument) during the Subscription Period. The Instrument is enforceable severally by each Warrant Holder and is available for inspection at the registered office of the Company for so long as any Warrant remains unexercised until the end of the Subscription Period. The Warrant Holder shall be deemed to have notice of all the terms and conditions contained in the Instrument.

«AMOUNTINENGLISH»

Given under the Seal of the Company on the date shown above

N.B. No transfer of any of the above Warrants can be registered unless accompanied by this Certificate
Transfer Office: Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX
Telephone: 01252 821390 Website: www.shareregistrars.uk.com

Notice of Exercise

To The Directors
HAYDALE GRAPHENE INDUSTRIES PLC (the "Company")

From [Warrant Holder]

Date [•]

Part A

I/We, the registered holder(s) of this Warrant hereby give notice of my/our wish to exercise my/our Subscription Rights in respect of [•] Ordinary Shares of 2 pence each in the capital of the Company in accordance with the particulars below.

I/We confirm that £[•] has been transferred to the bank account notified to me/us by **HAYDALE GRAPHENE INDUSTRIES PLC** being payment in full at the Subscription Price for the total number of Ordinary Shares for which I/we wish to subscribe.

Part B

I/We agree to accept the Ordinary Shares to be allotted pursuant hereto subject to the Memorandum and Articles of the Company. I/We desire all of such Ordinary Shares to be registered in my/our name(s) and authorise the entry of my/our name(s) in the register of members in respect thereof.

Part C

I/We hereby authorise the despatch of the Certificate in respect of the Ordinary Shares in the Company to be allotted to me/us and a Warrant in my/our name(s) for any balance of my/our Subscription Rights remaining exercisable by post at my/our risk to the address shown above or if no address is given to the registered address of the first named Warrant Holder;

or

I/We hereby authorise the Company to credit the following CREST account in respect of the Ordinary Shares in the Company to be allotted to me/us and a Warrant in my/our name(s) for any balance of my/our Subscription Rights remaining exercisable:

Name of account holder: [•]

CREST ID: [•]

.....

.....

.....
Signature of registered Warrant Holder(s)

.....
Date(s)

Notes

1. In the case of joint holdings, all Warrant Holders must sign. In the case of a corporation, this notice must be executed under its common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf.
2. Please insert in Part A the number of Ordinary Shares in respect of which the Subscription Rights are to be exercised. If no number of Ordinary Shares is inserted but the notice is otherwise duly complete, the notice will be deemed to relate to the number of Ordinary Shares for which the amount inserted in the second paragraph entitles the registered Warrant Holder(s) to subscribe.
3. In order to exercise the Subscription Rights, the registered Warrant Holder(s) must complete this notice of subscription and lodge it with the Registrar accompanied by a remittance for the Subscription Price of the Ordinary Shares in respect of which the Subscription Rights are being exercised in accordance with the Warrant Instrument. The rights are subject to adjustment as set out in the Warrant Instrument and completion and lodgement of this notice will in that event be deemed to be an exercise of the rights as so adjusted.
4. This Warrant shall lapse unless due notice shall be given and lodged in this form by 3 pm on the Final Exercise Date (as defined in the Warrant Instrument).

Schedule 2

Terms and Conditions of the Warrants

1. Subscription Rights

- 1.1 A Warrant Holder shall have Subscription Rights to subscribe for the number of Ordinary Shares set out in the Certificate by making payments in cash for all or such number of Ordinary Shares as it shall specify and for which its holding of Warrants shall entitle it so to subscribe at the Subscription Price (subject to adjustments as provided in Condition 2 below) at any time within the Subscription Period. The Subscription Rights will not be exercisable in respect of a fraction of a share. The Subscription Price shall be payable in full on exercise of the Warrant on any day prior to or on the Final Exercise Date provided always that if the same shall not be a Business Day then the Final Exercise Date shall be the next Business Day to occur.
- 1.2 In order to exercise its Subscription Rights a Warrant Holder must lodge at the registrars for the time being of the Company on any Business Day not later than 3 p.m. on the Final Exercise Date its Certificate, having completed the notice of exercise thereon and specifying the number of Warrants in respect of which the Subscription Rights are exercised ("**Notice of Exercise**") in the form of the draft set out in Schedule 1 to this Instrument, accompanied by a remittance for the aggregate subscription monies for the Ordinary Shares in respect of which the Subscription Rights are exercised (by cheque(s) drawn on a United Kingdom clearing bank made payable to Haydale Graphene Industries plc) provided that any one Notice of Exercise must relate to such number of Warrants as have an aggregate value at the Subscription Price of £10,000 or the final balance of a holding if less. Once lodged, a Notice of Exercise shall be irrevocable save with the consent of the directors of the Company. Compliance must also be made with any statutory requirements for the time being applicable. A Notice of Exercise which is not completed and lodged in accordance with this sub-condition shall be of no effect.
- 1.3 Ordinary Shares issued pursuant to the exercise of Subscription Rights will be allotted not later than 14 days after due completion and lodging of the relevant Notice of Exercise and payment of the aggregate Subscription Price and certificates in respect of such Ordinary Shares will be issued free of charge at such time in the name of the relevant Warrant Holder or if the Ordinary Shares are capable of being held in uncertificated form and a Warrant Holder stipulates in the Notice of Exercise it wishes to hold its shares in CREST, the Registrar shall instruct EUI to credit the relevant Warrant Holder's stock account in respect of the Ordinary Shares issued.
- 1.4 In the event of a partial exercise of the Subscription Rights comprised in the Warrants the Company shall at the time of issue of share certificates issue free of charge a fresh Certificate in the name of the Warrant Holder for any balance of its Subscription Rights remaining exercisable.
- 1.5 Ordinary Shares allotted pursuant to the exercise of the Subscription Rights will rank for all dividends or other distributions declared after the date of allotment of such shares but not before such date and otherwise pari passu in all respects with the Ordinary Shares in issue on the date of such exercise.
- 1.6 Any Subscription Rights not exercised prior to the expiry of the Subscription Period shall lapse.

2. Adjustment of Subscription Rights

- 2.1 After any allotment of fully paid Ordinary Shares by way of capitalisation of profits or reserves (other than Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend) or a bonus issue to holders of the Ordinary Shares on the register on a date prior to the Final Exercise Date or upon any sub-division or consolidation of the Ordinary Shares on or by reference to such a date, the number and/or nominal value of Ordinary Shares to be subscribed for on any

subsequent exercise of the Subscription Rights will be increased or reduced, as the case may be, in due proportion and/or the Subscription Price will be adjusted in such manner if at all as the auditors for the time being of the Company acting as experts and not as arbitrators shall certify as being appropriate, and notice thereof will be sent to each Warrant Holder within 21 days thereafter. A Certificate reflecting the adjusted entitlement of each Warrant Holder will be issued by the Company to each Warrant Holder within 14 days of the surrender by it of its existing Certificate in respect of its Warrants.

- 2.2 Warrant Holders will be given notice in writing of all adjustments. No adjustment will be made to the Subscription Price (other than by reason of a consolidation of Ordinary Shares as referred to in Condition 2.1 above) if it would result in an increase in the Subscription Price and in any event no adjustment will be made if such adjustment would be less than one per cent of the Subscription Price then in force and on any adjustment the adjusted Subscription Price will be rounded down to the nearest one penny. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment.
- 2.3 Notwithstanding any provision to the contrary contained in this Instrument, the Subscription Price shall not be less than the nominal value of an Ordinary Share, as adjusted (if at all) in accordance with any sub-division or consolidation as referred to in Condition 2.1.

3. Stock Exchange Dealings

Provided that at the time of issue of Ordinary Shares pursuant to the exercise of Warrants, the Ordinary Shares (or any of them) are quoted on the Official List of the United Kingdom Listing Authority or are traded on AIM or permission has been granted for dealings therein on any other recognised investment exchange in any part of the world, the Company will not later than 7 days after the issue of such Ordinary Shares apply to such body for permission to deal in or for quotation of such Ordinary Shares (as the case may be) and shall use its best endeavours to secure such permission or quotation.

4. Winding Up

If an order is made or an effective resolution is passed on or before the Final Exercise Date for the voluntary winding up of the Company (except for the purpose of reconstruction or amalgamation, in which case the Company will procure that each Warrant Holder is granted by the reconstructed or amalgamated company a substituted warrant of a value equivalent to the value of his Warrants immediately prior to such reconstruction or amalgamation in substitution, as the Warrant Holder(s) acknowledge(s) for and to the exclusion of the Warrant) each Warrant Holder will be entitled for the purpose of ascertaining his rights in the winding up to be treated as if he had immediately before the date of the passing of the resolution fully exercised his rights to acquire Ordinary Shares pursuant to his Warrants and in that event he shall be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Ordinary Shares such a sum as he would have received had he been the holder of all such Ordinary Shares to which he would have become entitled by virtue of such exercise after deducting a sum equal to the aggregate Subscription Price which would have been payable in respect of such exercise. The rights of the Warrant Holders under this Condition 4 shall be calculated by the auditors of the Company for the time being whose determination shall (save in the case of manifest error) bind the Company and the Warrant Holders. Subject to this Condition the Warrants shall lapse on liquidation of the Company.

5. Variation of Rights

- 5.1 All or any of the rights for the time being attached to the Warrants may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the Company and with either the consent in writing of any Warrant Holders entitled to subscribe for not less than two-thirds, by nominal value of the Ordinary Shares which are subject to outstanding

Warrants or with the sanction of an Extraordinary Resolution of the Warrant Holders. All the provisions of the Articles of Association of the Company as to general meetings of the Company shall mutatis mutandis apply to any separate meeting of the Warrant Holders as though the Warrants were a class of shares forming part of the Company and as if such provisions were expressly set out in extenso herein but so that:

- (a) the necessary quorum shall be the Warrant Holders (present in person or by proxy) entitled to subscribe for one-third in nominal amount of the Ordinary Shares subject to outstanding Warrants;
- (b) every Warrant Holder present in person at any such meeting shall be entitled on a show of hands to one vote and every such Warrant Holder present in person or by proxy at any such meeting shall be entitled to one vote for every Ordinary Share for which he is entitled to subscribe pursuant to the Warrants;
- (c) any Warrant Holder or Warrant Holders of 10 per cent or more of the aggregate outstanding Warrants present in person or by proxy may demand or join in demanding a poll;
- (d) if at any adjourned meeting a quorum as above defined is not present those holders of outstanding Warrants who are then present in person or by proxy shall be a quorum.

5.2 "**Extraordinary Resolution**" for the purposes of this Condition 5 means a resolution proposed at a meeting of the Warrant Holders duly convened and held and passed by a majority consisting of not less than two-thirds of the votes cast, whether on a show of hands or on a poll.

6. Lost or Destroyed Certificates

6.1 If any certificate for Warrants is worn out or defaced then upon production of such certificate to the directors of the Company they may cancel the same and may issue a new certificate in lieu thereof. If any such certificate be lost or destroyed then upon proof thereof to the reasonable satisfaction of the directors of the Company (or in default of proof, on such indemnity as the directors of the Company may deem adequate being given) a new certificate in lieu thereof may be given to the persons entitled to such lost or destroyed certificate free of charge (save as regards any payment pursuant to any such indemnity).

6.2 An entry as to the issue of the new certificate and indemnity (if any) shall be made in the Register.

7. Notices

7.1 Any notice or other document (including a Certificate for Warrants) may be given or sent to any Warrant Holder by sending the same by post in a pre-paid envelope addressed to such Warrant Holder to his registered address in the United Kingdom or (if he has no registered address within the United Kingdom) to the address (if any) in the United Kingdom supplied by him to the Company for the giving of notice to him.

7.2 In the case of joint holders a notice given to the Warrant Holder whose name stands first in the Register in respect of such Warrants shall be sufficient notice to all joint holders.

7.3 Notice may be given to the persons entitled to any Warrant in consequence of the death or bankruptcy of any Warrant Holder by sending the same by post in a pre-paid envelope addressed to them or the representative or trustee of such holder at the address (if any) in the United Kingdom supplied for the purpose by such person or (until such address is supplied) by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred.

- 7.4 Any notice required to be given to the Company hereunder may be given either personally or by sending it by post to the registered office of the Company.
- 7.5 Any notice given or document sent by post shall be deemed to be served or received at the expiration of twenty-four hours or, where second class mail is employed, forty-eight hours after the time when it is posted. In proving such service or receipt it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, stamped and posted.
- 7.6 Any Warrant Holder described in the Register by an address not within the United Kingdom who shall from time to time give to the Company an address within the United Kingdom at which any notice may be served upon him shall be entitled to have notice served on him at such address. Save as aforesaid no Warrant Holder other than the Warrant Holder described in the register by an address within the United Kingdom shall be entitled to receive any notice.
- 7.7 Any person who by operation of law, transmission or other means whatsoever shall become entitled to any Warrant shall be bound by every notice in respect of such Warrant which prior to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such Warrant.

8. Other Provisions

So long as any Subscription Rights remain exercisable:

- 8.1 The Company shall not (save as aforesaid) issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to the holders of its Ordinary Shares.
- 8.2 The Company shall not prior to the Final Exercise Date in any way modify the rights attached to its existing Ordinary Shares as a class, or create any new class of shares except for shares which carry, as compared with the existing Ordinary Shares, no greater rights as regards voting, dividend or capital except in accordance with any scheme involving the issue of shares to employees or ex-employees including executive directors of the Company and/or any subsidiary and further, nothing herein shall restrict the right of the Company to increase or to consolidate or sub-divide its share capital.
- 8.3 The Company shall not issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves if as result the Company would on any subsequent exercise of the Subscription Rights be obliged to Issue Ordinary Shares at a discount.
- 8.4 (Save as set out in Condition 8.1 above and save for any capitalisation of profits and reserves made as contemplated in Condition 2.1) the Company shall not (except with the sanction of an Extraordinary Resolution of the Warrant Holders or except by the redemption of redeemable shares) reduce by repayment to its shareholders its share capital or (except as authorised by sections 610-614 (inclusive) or section 733 of the Act) any share premium account or capital redemption reserve fund.
- 8.5 If at any time whilst the Subscription Rights remain capable of being exercised an offer or invitation is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary Shares and the Company becomes aware that as a result of such offer or invitation the right to cast a majority of votes which may ordinarily be cast at a general meeting of the Company has become vested in the offeror and/or such persons or companies as aforesaid, the Company shall, so far as it is able, procure that a like offer or invitation is made or extended at the same time to each Warrant Holder as if the Warrants had been exercised in full and as if the Ordinary Shares issued pursuant to such exercise had been issued immediately prior to the record date for such an offer or invitation.

8.6 The Company shall send to the Warrant Holders a copy of every document sent by it to the holders of its Ordinary Shares at the same time as it is sent to such holders.

provided that nothing herein shall prevent the Company from purchasing any of its shares for the time being In issue on such terms as it may think expedient nor require the sanction of an Extraordinary Resolution of the Warrant Holders for any such purchase.

9. Assignment

The Warrant is personal to the Warrant Holder and may not be assigned, transferred or charged in whole or in part without the prior written consent of the Company.

10. Register

10.1 An accurate Register of entitlement to the Warrants will be kept by the Registrar and there shall be entered in the Register:

- (a) the names and addresses of the persons for the time being entitled to be registered as the holder(s) of the Warrants;
- (b) the number of Warrants held by every such registered holder; and
- (c) the date on which the name of every such registered holder is entered in the Register in respect of the Warrants standing to its name.

10.2 Any change in the name or address of any Holder shall be notified to the Registrar which shall cause the Register to be altered accordingly. Each Warrant Holder (or any person authorised by such Warrant Holder) shall be at liberty at all reasonable times during office hours to inspect the Register and to take copies of or extracts from the same of any part thereof to the extent it relates to the Warrant Holder.


10.3 The Company and the Registrar shall be entitled to treat the relevant Warrant Holder as the absolute owner of a Warrant and accordingly shall not (except as ordered by a court of competent jurisdiction or as required by law) be bound to recognise any equitable or other claim to or interest in such Warrant on the part of any other person whether or not it shall have express or other notice thereof.

10.4 Each Warrant Holder will be recognised by the Company as entitled to its Warrants free from any equity, set-off or cross-claim on the part of the Company against the original or any intermediate holder of such Warrants.

**EXECUTED as a DEED by HAYDALE GRAPHENE INDUSTRIES
PLC acting by two directors:**

DocuSigned by:

.....
C66119560BD548A...
Signature of director

DocuSigned by:

.....
7A253E2AE97A4A9...
Signature of director