



**REMUNERATION COMMITTEE TERMS OF REFERENCE FOR
HAYDALE GRAPHENE INDUSTRIES PLC
(THE “COMPANY”)**

1. The following terms of reference for the Remuneration Committee (the ‘Committee’) were approved and adopted by Company’s board in April 2014 and amended and adopted by the board on 28 September 2021.

2. Membership

2.1 The members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than two members, all of whom shall be independent non-executive directors of the Company. A quorum shall be two members.

2.2 The chair of the Committee shall be a non-executive director who shall be appointed by the Board.

3. Secretary

The Committee may at each meeting appoint one of their number to be the secretary of the committee.

4. Frequency of meetings

4.1 Meetings shall be held at least twice a year. The Chair of the Company may request a meeting if he/she reasonably considers that one is necessary.

Notice of meetings

4.2 Any member of the Committee or a member of the Board may call a meeting of the Committee by giving no fewer than 5 days' notice of the meeting to the members of the Committee, unless otherwise agreed.

4.3 Unless otherwise agreed, notice of any meeting of the Committee must be forwarded to each member of the committee (and other attendees as appropriate) confirming:

(a) its date and time;

(b) where it is to take place; if it is anticipated that members of the Committee participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting; and

Registered Office: Clos Fferws, Parc Hendre, Capel Hendre, Ammanford, Carmarthenshire SA18 3BL

T: +44 (0) 1269 842946 info@haydale.com www.haydale.com

VAT No: 107 1441 54 Company No: 7228939



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- (c) an agenda of items to be discussed;
 - (d) any supporting papers shall be sent to committee members and to other attendees, as appropriate, by 48 hours before the meeting, unless otherwise agreed.

5. Authority

- 5.1 The Committee is authorised by the Board to investigate any matter within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any requests made by the Committee.
- 5.2 The Committee is authorised by the Board to obtain, at the company's expense, outside professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. It is envisaged that in obtaining outside advice the Committee will act in conjunction with the knowledge and approval of the chair of the Board and Chief Executive.

6. Purpose

The purpose of the Committee is to make recommendations to the Board to:

- (a) ensure that the executive directors and other key employees of the Company as it is designated to consider (together, "**Executives**") are provided with appropriate remuneration packages the objective being to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary; and
- (b) demonstrate to the shareholders of the Company that the remuneration of the Executives are set by a committee of the Board whose members have no personal interest in the outcome of the decisions of the Committee and who will have due regard to the interests of shareholders of the Company.

7. Duties

The duties of the Committee are as detailed below:

- (a) to determine the policy for the remuneration of the Executives;
- (b) to determine specific remuneration packages for each of the Executives, including salary, and where appropriate, pension rights, short term and long-term incentives and compensation payments;



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- (c) in respect of any element of remuneration of an Executive which is performance-related, to formulate suitable performance-related criteria and monitor their operation,
 - (d) to consult the chief executive about its proposals relating to the remuneration of Executives;
 - (e) to ensure that performance-related elements of remuneration of Executives are designed to support alignment with long-term interests of shareholders and to give such Executives incentives to perform at the highest levels;
 - (f) to consider whether the Executives should be eligible for annual bonuses and, if so, to consider an upper limit for such bonuses;
 - (g) to consider whether the Executives should be eligible for benefits under long-term incentive schemes and to weigh traditional share option schemes against other kinds of long-term incentive schemes;
 - (h) to approve any amendments to be made to the rules of the share options schemes of the Company or its subsidiaries (together, the "**Group**") (except where such amendments require shareholder approval);
 - (i) to consider the pension consequences and associated costs to the Company of basic salary increases and other changes in remuneration, especially for Executives close to retirement;
 - (j) to provide the packages needed to attract, retain, and motivate Executives of the quality required, but avoid paying more than is necessary for this purpose, and to co-ordinate closely with the Company's Nomination Committee (if any) in relation to the remuneration to be offered to any new Executive;
 - (k) to consider where to position the Company relative to other companies and to be aware what comparable companies are paying, taking account of relative performance, and using such comparisons with caution;
 - (l) when setting remuneration policy for the Executives, to review and have regard to the remuneration policies and practices for the wider workforce across the group;
 - (m) to approve the terms of any service agreement to be entered into with any Executive, including any proposed changes to such contracts, bearing in mind that an objective should be to set notice or contract periods at one year or less;



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- (n) to consider what compensation commitments (including pension contributions) the Executives' service agreements, if any, would entail in the event of early termination. Particular consideration should be given to providing explicitly in the initial contract for such compensation commitments except in the case of removal for misconduct;
 - (o) in early termination cases where the initial contract does not explicitly provide for compensation commitments, to tailor its approach (within legal constraints) to the circumstances. The aim should be to avoid rewarding poor performance, while dealing fairly with cases where departure is not due to poor performance and to take a robust line on reducing compensation to reflect departing Executives' obligations to mitigate loss;
 - (p) ensure that legal and regulatory provisions regarding disclosure of remuneration, including pensions, are fulfilled;
 - (q) be exclusively responsible for establishing the selection criteria, selecting, appointing, and setting the terms of reference for any remuneration consultants who advise the Committee and commissioning or purchasing any reports, surveys, or information which it deems necessary, at the expense of the company.
 - (r) Review the design of all share incentive plans (including share option schemes) for approval by the board and, where required, shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards for the Executives, and the performance targets to be used.
 - (s) make available the Committee's terms of reference which should set out the Committee's delegated responsibilities and be reviewed and, where necessary, updated annually; and
 - (t) to consider other matters as referred to the Committee by the Board.

8. Exclusions

- 8.1 The terms of reference of the Committee do not encompass decisions to employ or dismiss Executives. The Committee does not have responsibilities for nominations to the Board.



8.2 The remuneration of the Company's non-executive directors (including the chair of the Board if a non-executive) shall be a matter for the board. No director or manager of the Company shall be involved in any decisions as to their own remuneration.

9. Reporting Procedures

The secretary of the Committee shall circulate the minutes of the meetings to the Committee.