

**REMUNERATION COMMITTEE TERMS OF REFERENCE FOR
HAYDALE GRAPHENE INDUSTRIES PLC (THE “COMPANY”)
AND ITS SUBSIDIARY UNDERTAKINGS, (TOGETHER, THE “GROUP”)**

1. Introduction

- 1.1 The following terms of reference for the Remuneration Committee (the “Committee”) were initially approved and adopted by Company’s board of directors (“Board”) in April 2014, amended and adopted by the Board on 28 September 2021 and further amended and adopted by the Board on 30 October 2023.

2. Membership

- 2.1 Appointments to the Committee are made by the Board on the recommendation of the Nomination Committee and in consultation with the chair of the Remuneration Committee and shall be for a period of up to three years which may be extended provided members (other than the chair of the Board (“Chair”), if they are a member of the Committee) continue to be independent.
- 2.2 The Committee shall comprise at least two members, all of whom shall be independent non-executive directors. The Chair may serve on the Committee if they were considered independent on appointment as Chair.
- 2.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the head of human resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.4 The Board shall appoint the Committee chair who shall be an independent non-executive director who should have served on a Remuneration Committee for at least 12 months.
- 2.5 In the absence of the Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two.

4. Secretary

- 4.1 The company secretary or their nominee shall act as the secretary of the Committee (“Secretary”). Alternatively, the Committee may, at each Meeting, appoint one of their number to be the Secretary and the Secretary and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

5. Frequency of meetings

- 5.1 The Committee shall meet at least twice a year and otherwise as required.

6. Notice of meetings

- 6.1 Meetings of the Committee shall be called by the Committee chair or the Secretary at the request of the Committee chair or any of its members.
- 6.2 Unless otherwise agreed, notice of each Meeting confirming the venue (including how it is proposed that they should communicate with each other during the Meeting, if it is anticipated that Members participating in the Meeting will not be in the same place), time and date (“Notice”)

together with an agenda of items to be discussed ("Agenda"), shall be forwarded to each member of the Committee and any other person required to attend no later than five working days before the date of the Meeting, unless otherwise agreed.

- 6.3 Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time as the Notice and Agenda or at least 48 hours before the meeting, unless otherwise agreed.

7. Engagement with shareholders

- 7.1 The Committee chair should attend the annual general meeting of the Company to answer any shareholder questions on the Committee's activities. In addition, the Committee chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

8. Authority

- 8.1 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference 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 and Chief Executive Officer.
- 8.2 In determining remuneration policy, take into account all other factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the QCA Corporate Governance Code ("QCA Code") and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders;

9. Duties

- 9.1 The Committee should carry out the duties detailed below for the Company and major subsidiary undertakings within the Group, as appropriate.
- 9.2 The Committee shall:
- 9.2.1 have delegated responsibility for determining the policy for directors' remuneration and setting remuneration for the Company's executive directors ("Executive Directors") and designated senior management, including salary and where appropriate pension rights, short term and long term incentives and compensation payments.
 - 9.2.2 Design remuneration policies and practices linked to the successful delivery of short-term and long-term sustainable success, with Executive Directors' remuneration aligned to the Company's purpose and values, clearly linked to the successful delivery of the Company's long-term strategy.
 - 9.2.3 In respect of any element of remuneration of an Executive Director which is performance related, to formulate suitable performance related criteria and monitor their operation.
 - 9.2.4 When determining executive director remuneration policy and practices, consider the need for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.
 - 9.2.5 Review the ongoing appropriateness and relevance of the remuneration policy.

- 9.2.6 Within the terms of the agreed policy and in consultation with the Chair and/or Chief Executive Officer, as appropriate, determine the total individual remuneration package of the Executive Directors and designated senior managers, including bonuses, incentive payments and share options or other share awards. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account both the Group's and the individual's performance, and wider circumstances.
- 9.2.7 Establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests, with share awards subject to appropriate vesting criteria and holding periods, if suitable, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.
- 9.2.8 Work and liaise as necessary with other Board Committees, ensuring the interaction between Committees and with the Board is reviewed regularly.
- 9.2.9 Review workforce remuneration and related policies.
- 9.2.10 The Committee shall also ensure that provisions regarding disclosure of information as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the QCA Code, are fulfilled, and that a report on the directors' remuneration policy and practices is included in the Company's annual report and accounts.
- 9.2.11 Have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company, having notified the Chief Executive Officer. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.
- 9.2.12 Review the design of all share incentive plans 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 executive directors and designated senior managers, and the performance targets to be used.
- 9.2.13 to approve the terms of any service agreement to be entered into with any Executive Director, including any proposed changes to such contracts, bearing in mind that an objective should be to set notice periods at one year or less; considering the appointment and termination provisions within the Executive Director's service agreements.
- 9.2.14 at least annually, review its constitution and these terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 9.2.15 ensure that a periodic evaluation of the Committee's own performance, is carried out.

10. Non-Executive Directors

- 10.1 The Board itself should determine the remuneration of the Company's non-executive directors within the limits set in the Articles of Association (including the Chair, if a non-executive).

11. Reporting Procedures

- 11.1 The Committee chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for Board discussion when necessary.
- 11.3 The Committee shall provide a description of its work in the Company's annual report in line with the requirements of the QCA Code.
- 11.4 If the Committee has appointed remuneration consultants, the consultant should be identified in the Company's annual report alongside a statement about any other connection it has with the Company or individual directors.

12. Minutes of Meetings

- 12.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 12.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and the company secretary unless the Chair or the Committee decides it would be inappropriate to do so.

13. Other Matters

- 13.1 No director or designated senior manager shall be involved in any decisions as to their own remuneration.
- 13.2 The Committee shall:
- 13.2.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required.
 - 13.2.2 Give due consideration to all relevant laws and regulations, the provisions of the QCA Code and published guidelines or recommendations regarding the remuneration of company directors and the formation and operation of share incentive plans, the AIM Rules, Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules, as appropriate.