

Remuneration Policy

This section of the Directors' Remuneration report sets out the Remuneration Policy that will be put to an advisory vote at the AGM in March 2026. The policy is intended to apply for 3 years from the date of that meeting.

Overriding principles for Executive Director pay

The remuneration policy for Executive Directors has been established to:

- Attract, motivate and retain a high calibre leadership team;
- Incentivise achievement of the group's strategic and financial objectives; and
- Provide an appropriate balance between fixed and variable remuneration, with a bias of variable remuneration towards share incentives in view of competing needs for cash as the business grows.

Remuneration policy table for Executive Directors

Element	Purpose / strategy link	Application	Payment at threshold and maximum opportunity	Performance measures
Base pay	To attract, motivate and retain high quality executive leadership	Reviewed annually, typically on 1 January	Annual increases, typically aligned with wider UK workforce, but adjustments may be made to address changes to the scope of role and for competitive market positioning	None
Pension	As above	As above	Maximum 10% of base pay	None
Benefits (non-pensionable)	As above	At the discretion of the Committee, can consist of: <ul style="list-style-type: none"> - Company car or car allowance - Private medical insurance - Reasonable relocation expenses in line with market practice 	No formal cap	None
Annual Bonus (non-pensionable)	To incentivise delivery of annual performance targets, consistent with the Group's overall strategy	<p>Performance targets are set at the beginning of the financial year</p> <p>Payment is made in cash, dependent on achievement against those targets following receipt of the group's audited financial statements for the year</p> <p>Payments are subject to normal market malus and clawback provisions</p>	<p>Maximum 100% of base pay, subject to an aggregate limit that Bonus and LTIP awards taken together will not exceed 175% of base pay for the CEO and 125% of base pay for the Executive Directors</p> <p>On target performance is typically half of the maximum</p> <p>Threshold performance is up to 10% of Base Pay</p>	<p>The majority of the bonus will be based on financial targets</p> <p>Non-financial and personal targets may also be used</p> <p>The Committee retains discretion to act reasonably to adjust awards made to ensure sensible outcomes, including considering the overall shareholder experience and any exceptional events during the year</p>

LTIP	To incentivise delivery of the Group's strategy and medium-term performance targets	<p>Where there is individual and / or aggregate capacity in the Group's EMI Share option scheme, consistent with the rules of that Scheme, LTIP awards will be fulfilled by new issue Hardide plc shares, not exceeding 5% of the Company's issued ordinary share capital in aggregate in any one year</p> <p>Where there is insufficient individual or aggregate capacity in the Group's EMI share scheme, awards will be fulfilled by nil cost options, whether newly issued Hardide shares (not exceeding in aggregate 5% of the Company's issued share capital in any one year), or through purchases of Hardide shares in the market via an EBT or similar, subject to the availability of distributable reserves in Hardide plc</p> <p>As the Company grows, the intention is to ensure shareholder dilution from the operation of executive share schemes is managed well within the ABI recommended limits for smaller companies of 15% over 10 years</p> <p>Awards are subject to normal market malus and clawback provisions</p>	<p>In the normal course, performance share awards will be made annually as follows:</p> <p>Maximum of 125% of base pay per year for the CEO and up to 85% of base pay per year for Executive Directors, subject to an aggregate limit that Bonus and LTIP awards taken together will not exceed 175% of base pay for the CEO and 125% of base pay for the Executive Directors</p> <p>Up to 25% of the award vests at threshold</p> <p>Restricted share awards may be made, where appropriate, typically with a minimum tenure condition, for example to attract new Executives to the Board</p>	<p>Performance conditions typically comprise one or more financial measures, including TSR, but can include other strategic KPIs or objectives</p> <p>The Committee retains discretion to act reasonably to adjust awards made to ensure sensible overall outcomes that fairly reflect the group's actual performance and shareholder / stakeholder experience</p>
Shareholding requirement	To align the objectives of the Executives with Shareholders	At least 50% of vested LTIP awards are to be retained by Executive Directors until the shareholding requirement is achieved	Directors are expected to build and retain a shareholding equivalent to 100% of their base salaries over time	None

Directors' service contracts and annual re-election to the Board at the AGM

The Executive Directors have service contracts that are terminable at up to 12 months' notice by either party.

The non-executive directors have service contracts that are terminable with one month's notice by either party.

Consistent with the provisions of the QCA Code, all Directors are subject to annual reappointment by shareholders at the Company's AGM.

Leavers

The Remuneration Committee will base payments to leavers on their contractual obligations, consistent with employment law. Normally no bonuses or LTIP awards will be made. However, in the case of "good leavers" and those who leave due to death, retirement, ill health or disability, the Committee retains discretion to vary payments on exit, including to award bonuses and LTIPs to vest based on performance to the date of leaving and pro rata to the period of the award that has elapsed prior to the date of the Executive's departure. The Committee's overriding principle is not to reward poor performance.

Change of control

Should there be a change of control, all LTIP awards will vest and become exercisable immediately. The proportion of bonus and LTIP vesting will be reasonably determined by the Committee having regard to the likelihood of performance targets being achieved and the proportion of the performance period that has elapsed until the date of change of control. The Committee has discretion to waive any performance condition should it determine this to be appropriate.

Recruitment

It may be necessary to buy out an executive's variable compensation awards from a previous employer, and the Committee retains flexibility to match such awards on recruitment. In these circumstances such payments would fall outside the above policy, but ongoing payments made to the Executive after appointment would be consistent with the policy table above.

Non-Executive Directors

The non-executive directors are paid a fixed fee for their services. Reasonable expenses are also reimbursed. They are not awarded bonuses or share awards, nor do they receive other benefits. Non-Executive Directors' pay will typically be reviewed annually, having regard to increases in pay for the UK workforce, or, where there has been no recent review of non-executive director pay, fees might be realigned to comparable market rates for AIM companies of a similar size and complexity. The fees for non-executives other than the Chair are set by the Chair in consultation with the CEO and Executive Directors. The fees for the Chair are set by the Board (absent the Chair), led by the Senior Independent Director / Remuneration Committee Chair. The non-executive directors are not entitled to any payments as leavers or on termination, other than their one-month notice period.