

REMUNERATION COMMITTEE REPORT

Committee Chair's Overview

I am pleased to present my first report as Chair of Hardide's Remuneration Committee.

The role of the Committee is to provide independent oversight of the remuneration of Executive Directors, with the objective of aligning remuneration policies, incentives and outcomes with both the Group's strategy, purpose and values; and the interests of shareholders and the broader stakeholder base.

Consistent with the revised QCA Code on Corporate Governance, we set out below Hardide's Remuneration Policy, which will be submitted for an advisory shareholder vote at the 2026 AGM. The policy is intended to apply for three years and will next be formally reviewed in 2028.

In establishing the policy, the Committee's key considerations were:

- to attract, motivate and retain high-quality executives;
- to align Executive Director remuneration with Hardide's strategy for growth and long-term value creation, thereby aligning Executive Directors' interests with those of shareholders and other stakeholders;
- to weight variable remuneration, at least initially, towards share-based incentives to preserve cash resources thus supporting the Company's growth;
- to remain mindful that, as LTIP awards currently require the issue of new Hardide plc shares (due to the absence of distributable reserves to support market buy-backs), share-based awards may result in dilution for existing shareholders, and to ensure that performance conditions, dilution levels and remuneration outcomes are proportionate to expected value creation and can be managed over time as the Company develops; and
- to retain flexibility within variable remuneration structures to adjust the balance between cash-based and share-based awards over time, enabling the Company to balance Executive Director incentivisation, cash usage and shareholder dilution.

At the beginning of the financial year under review, the Committee was Chaired by Tim Rice until his retirement from the Board on 31 December 2024. I succeeded Tim as Chair of the Committee on 1 January 2025. All Committee members during the year were independent non-executive directors and this continues to be the case. During the financial year ended 30 September 2025 the Committee met 4 times, with the principal areas of focus being:

- setting executive director cash bonus incentives for the 2025 financial year, and long-term share incentives for the financial years 2025-2027;
- oversight of the Company wide pay review process in 2025, principally the review and approval of pay rises for the Executive Directors;
- establishing a formal Remuneration Policy (set out below) to be put to an advisory shareholder vote at the 2026 AGM;
- recommending to the Board Executive Director variable remuneration incentives for the 2026 financial year and for the periods 2026-2028.

The Committee's full Terms of Reference are available on the Group's website at www.hardide.com.

I hope that shareholders will be supportive of the policy proposals made, and decisions taken by the Committee during the year. I would welcome any feedback, and I am available to meet shareholders to discuss this report should they wish to do so. I may be contacted via the Company Secretary.

Dr. Bryan Allcock
Chair of the Remuneration Committee
21 January 2026

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.

Remuneration Committee Report for the year

Base pay for Executive directors

The base pay for Executive Directors was reviewed by the Committee effective from 1 January 2025. The base pay for Mr. Hamblin remained unchanged, as he had been appointed to his role as CEO only seven months previously. Mr. Zhuk received a 3% increase in his basic pay, in line with the UK workforce average. Mr. Hallam was awarded an 11.5% increase in his basic pay to reflect an expanded commercial role in the organization and new responsibilities for corporate communications and investor relations assumed during the 2024 financial year as overall numbers of staff in the business were reduced.

Base pay was further reviewed effective from 1 January 2026, and the Executive Directors were awarded increases to their base pay in the range 4% to 6%, in line with the range of increases paid to the UK workforce as a whole.

Variable remuneration incentives and outcomes for Executive Directors for the year ended 30 September 2025

Executive Directors were awarded a bonus opportunity in FY25 of between 5% and 20% of base salary for achieving a minimum audited EBITDA result of £1.0m and maximum of £1.5m, respectively. On the basis that the actual audited EBITDA result for the year was £1.021m, a bonus of circa 6% of base pay was payable. However, as global economic conditions became more challenging during the year; the Group's trading momentum was strong towards the end of FY25, continuing into the new financial year; and the Remuneration Policy set out above and established during the year is to pay up to a 10% bonus if threshold levels of performance are achieved, the Committee applied discretion to pay all Executive Directors a 10% of base salary bonus for the year. The incremental cost to the Company of the discretion applied was £20,000, which the Committee judged to be appropriate in the circumstances.

Executive directors were awarded LTIPs under Hardide's Executive Management Incentive ("EMI") share option scheme relating to the 3 financial years 2025-2027, with vesting subject to the achievement of stretching financial performance conditions. Whilst no options will actually vest until the Group's results for 2027 are audited, up to 33.33% of the award can accrue each financial year subject to achievement of performance conditions in that individual year. In FY2025, the LTIP awards for that financial year accrued in full based on a simple pass / fail performance condition requiring achievement of EBITDA of £1m or more. Therefore, 33.33% of the overall LTIP award made in 2025 has now accrued for vesting in early 2028, subject to the satisfactory audit of the Group's results for the 2025-2027 financial years.

Variable remuneration incentives for Executive Directors for the year ended 30 September 2026

The Executive Directors have each been given bonus incentives relating to the achievement of performance conditions for the current financial year ending 30 September 2026 as follows:

- up to 10% of base pay for the achievement of individual personal and strategic objectives set by the Board;
- up to 20% of base salary for significantly exceeding the Group's expected EBITDA performance set at the beginning of the financial year;
- up to a further 10-20% of base salary (depending on the individual Director concerned) based on a "stretch" EBITDA target for the year, which was set to significantly exceed revised and uplifted expectations established following the Group's trading update on 1 December 2025.

The EBITDA targets remain commercially confidential at the present time and will be disclosed in next year's remuneration report.

After the release of Hardide's audited annual results for the year ended 30 September 2025 it is intended to award the Executive Directors LTIPs for the 3 financial year period 2026-2028. These awards will be made under the Group's EMI share scheme to be satisfied through shares in Hardide plc that would be newly issued to the extent performance conditions have been met at the time of vesting. These LTIP options, planned to be awarded in late January 2026, will have an exercise price equivalent to the average market price of Hardide shares in the 5 working days following the announcement of the Group's annual results for the year ending 30 September 2025. On this basis:

- Mr. Hamblin will be awarded options equivalent to a maximum of 100% of his base salary; and
- Mr. Hallam and Mr. Zhuk will each be awarded options equivalent to a maximum of 60% of their respective base salaries.

The performance conditions for these awards will be weighted 65% based on EBITDA performance targets for each year of the three-year performance period, with the remaining 35% weighted based on TSR performance in each year of the three year period. The maximum EBITDA target at the end of the three-year period is consistent with the Group achieving its short to medium strategic target set at the beginning of the financial year of at least doubling Group revenues from FY24 levels to £10m or more. The TSR target is broadly consistent with expected share price growth on the assumption this reflects the EBITDA growth targeted. The TSR performance element has been introduced to better align incentive outcomes with shareholder experience and to manage potential dilution of existing shareholders. As was the case for LTIPs awarded in 2025, annual performance conditions that build up to those set for FY2028 have also been established for FY2026 and FY2027, and up to 33.33% of total maximum vesting can be earned and accrued for achieving annual performance conditions in each of the three financial years relevant to this award.

Non-Executive Directors' Fees

The Executive Directors, together with the Chair, considered the fees paid to the Non-Executive Directors during the year ended 30 September 2025. The Executive Directors, together with the Non-Executives other than the Chair, considered the fees of the Chair. No increase in basic NED or Chair fees was awarded during 2025.

Non-Executive Directors' fees were reviewed again in December 2025. Non-Executive Directors' fees had not been increased for a number of years as the Group was not profitable. In view of the Group's profitable performance in FY25, with expectations for profitability to continue to grow, and having regard to benchmarking of fees in AIM listed companies of a similar size, complexity and market capitalisation, the following increases were granted effective from 1 January 2026:

- the Non-Executive Chair's fee increased from £60,000 to £67,500 pa. In addition, a fee of £7,500 will be paid in the current financial year to reflect increased duties set by the Board, with further time expected to be spent in supporting the effective and appropriate management of the growth in the business, including additional governance oversight;
- the base level of fees of the other Non-Executive Directors increased from £25,000 to £30,000 pa;
- an additional fee was introduced for the Senior Independent Director / Chair of the Remuneration Committee of £3,000 pa.

Executive Directors' Remuneration

| £ 000's | Salary and fees | Other Benefits | Pension | Bonus | LTIP ³ | 2025 Total | 2024 Total |
|--------------------------|-----------------|----------------|-----------|-----------|-------------------|------------|------------|
| M R Hamblin ¹ | 230 | 11 | 12 | 23 | 15 | 291 | 98 |
| S A Hallam | 119 | 10 | 6 | 12 | 5 | 152 | 118 |
| Y N Zhuk | 132 | 8 | 10 | 13 | 5 | 168 | 138 |
| P D Kirkham ² | - | - | - | - | - | - | 173 |
| S J Paul ² | - | - | - | - | - | - | 79 |
| Total | 481 | 29 | 28 | 48 | 25 | 611 | 606 |

Notes:

- 1 M R Hamblin was originally appointed as non-executive director on 1 November 2023 and became Chief Executive on 4 June 2024. His salary and fees disclosed for FY24 above comprise a £77,000 salary plus associated benefits as Chief Executive and £15,000 of non-executive fees for the part of the full year he was employed in these roles.
- 2 P D Kirkham retired from the Board in February 2024 and was paid in lieu of notice until 30 April 2024. S J Paul served on the Board as Interim CEO between February and May 2024.
- 3 The value included above for LTIPs is based on the amount accrued in the financial statements in FY25, in accordance with IFRS2, to reflect the value of the overall LTIP award made in January 2025, and recognising that 33.33% of that award has now been earned as the FY25 performance condition was met in full.

Non-Executive Directors' Fees

| £ 000's | 2025 | 2024 |
|--------------------------|------------|------|
| A Magson ¹ | 60 | 90 |
| B W Allcock ² | 21 | - |
| A R Boyce | 25 | 25 |
| T J Rice ² | 6 | 25 |
| Total | 112 | 140 |

Notes:

- 1 Mr. Magson was paid an additional fee of £30,000 in FY2024 to reflect the substantial additional time commitment to the Company during the transition between Chief Executives, and in leading the equity fundraising during that year.
- 2 Mr. Allcock was appointed to the Board on 3 December 2024 on an annual fee of £25,000. Mr. Rice retired from the Board on 31 December 2024.

Dr. B W Allcock
Chair of the Remuneration Committee

21 January 2026