

# Stock Ownership Policy

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**Carbon Revolution plc**

Adopted by the Board of Directors on 22 August 2024

# Stock Ownership Policy

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## I. Purpose and scope

The purpose of this policy is to align the financial interests of the executives and directors of Carbon Revolution plc ("the Company") with those of its shareholders, promote a long-term perspective in management of the Company and further promote the Company's commitment to sound corporate governance.

This policy mandates minimum shareholding requirements for the Company's executives and directors, ensuring that they maintain an appropriate ownership stake in the Company that aligns with shareholder interests.

This policy applies to all members of the executive team and members of the Board of Directors of Carbon Revolution plc ("Participants").

## II. Minimum shareholding requirements

This policy requires ownership of shares of common stock of the Company ("Shares") together with interests in such Shares ("Other Eligible Holdings") as outlined in item III of this policy having an aggregate value equal to or greater than the following:

Individual (participant)	Minimum Shareholding
Non-Executive Directors	5 times annual cash fees* (excludes committee fees or additional chair compensation)
CEO	5 times fixed annual cash remuneration*
CFO	2.5 times fixed annual cash remuneration*
Executive team members	2 times fixed annual cash remuneration*

\*Excludes retirement benefits or superannuation contributions

Participants are expected to meet these minimum shareholding requirements within five (5) years after first becoming subject to them ("Compliance Deadline"). A participant becomes subject to this Policy on the later of the date this policy is adopted by the Board, or the date the participant is appointed as a director or member of the executive team of the Company.

Participants are expected to make progress towards meeting the requirements during the five year period leading up to the Compliance Deadline. For the avoidance of doubt, it is assumed that this progress is made through retention of a proportion of Shares obtained via equity grants made as part of overall compensation, and the expectation does not extend to the acquisition of Shares on market.

Once a Participant has met the minimum shareholding requirements, the Participant must maintain the minimum holding for as long as the Participant remains a non-executive director or member of the executive team.

## III. Eligible ownership interests counted in minimum shareholding

The following shall be included in the calculation of whether a Participant meets the minimum shareholding guidelines:

- Shares; and
- earned and vested RSUs and other rights to Shares ("Other Eligible Holdings"),

which are:

- owned by the participant or the Participant's immediate family members residing in the same household as the Participant; or

- owned by a company which is solely owned by the Participant or immediate family members residing in the same household as the Participant; or
- owned through a trust or in a superannuation fund or are otherwise held for the benefit of the Participant or immediate family members residing in the same household as the Participant,

provided the Participant has the power to vote on and dispose of such Shares.

#### **IV. Ownership calculation**

Ownership (of Shares and Other Eligible Holdings) will be calculated as of the final trading date of each financial year. Ownership will be calculated by multiplying the Participant's annual fixed base cash salary or annual director base cash fee (as the case may be) at the relevant date, by the applicable multiple shown in the table in item II above, and dividing the result by the volume average weighted share price of the Company's common stock on Nasdaq over the 30 days (calendar month) up to and including the final trading date of the financial year.

With respect to any non-executive director who serves on the Board of Directors pursuant to the nomination rights or other agreement with a shareholder of the Company, whether set forth in a contractual arrangement or the terms of any class or series of preferred shares, the calculation shall also include any shares owned such shareholder directly and any shares issuable upon exercise of any vested options or warrants to acquire shares.

#### **V. Consequences of non-compliance**

Subject to item VI, while a Participant is not in compliance with the applicable guidelines following the Compliance Deadline (including if a Participant falls below the guideline solely due to a decline in the value of the Company's common stock), unless otherwise determined by the Remuneration & Nomination Committee, such Participant is prohibited from selling:

- any Shares held by them as at the date the Participant becomes non-compliant;
- more than 50% any Shares received by the Participant (including by way of vesting or exercise of equity) during the period of non-compliance, excluding (i) Shares sold or withheld to cover tax liability incurred during that period of non-compliance and (ii) Shares withheld to cover the exercise price for any options exercised during the period of non-compliance.

Compliance with the stock ownership requirements may be considered by the compliance officer(s) charged with reviewing any preclearance requests under the Company's insider trading policy.

#### **VI. Exemptions**

In the event a Participant falls below the required holdings solely due to a decline in the value of the Shares, the Remuneration & Nomination Committee may, in its discretion (and taking into account volatility in the Share price), determine the appropriate relief, if any, for non-compliance with this Policy, including but not limited to allowing such Participant additional time to gain or regain compliance.

There may be circumstances in which compliance with this Policy would cause or contribute to material financial difficulty for a participant or could prevent them from complying with an order of a court of law. Exceptions to this policy may be granted by the Remuneration & Nominations Committee in cases of:

- material personal financial hardship; or

- other extraordinary circumstances as determined by the Committee.

#### **VII. Insider Trading Policy**

Compliance with this Policy is subject to compliance with the Insider Trading Policy and nothing in this Policy is intended to impact the requirement for the participant to comply with the Insider Trading Policy.

#### **VIII. Administration, Review and Amendments**

The Remuneration and Nomination Committee is responsible for the administration and enforcement of the policy.

This policy will be reviewed annually by the Remuneration & Nomination Committee and any recommended changes will be submitted to the Board for approval.

The calculation referred to in item IV shall be provided to the Remuneration & Nomination Committee.

#### **IX. Disclosure**

This policy will be publicly disclosed at the investor relations section of the Company's website to ensure transparency to shareholders.

To the extent required by securities law or listing rules, the Company's annual Proxy Statement will include a report on the compliance with the requirements of this Policy.