

HARDIDE PLC & SUBSIDIARIES

(‘Hardide’ or the ‘Company’)

TERMS OF REFERENCE

for

THE INTELLECTUAL PROPERTY SUB-COMMITTEE

(the ‘Committee’)

As adopted on 17th August 2018, by the Board of the Company

(the ‘Board’)

1. Membership

- 1.1. Members of the Committee shall be appointed by the Board, on the recommendation of the Chairman of the Board. The Committee shall include the chief executive officer (‘CEO’) and technical director, as well as at least one non-executive director.
- 1.2. Only members of the Committee have the right to attend Committee meetings.
- 1.3. Appointments to the Committee shall be for a period of three years, which may be extended for further periods.
- 1.4. The Board shall appoint the Committee chairman.

2. Secretary

- 2.1. One of the members of the Committee or their nominee shall act as the secretary of the Committee.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be three members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Frequency of meeting

- 4.1. The Committee shall meet at least quarterly and at other times as required; particularly in order to fit the portfolio maintenance cycle.

5. Notice of meetings

- 5.1. Meetings of the Committee shall be called by the chairman of the Committee at the request of any of its members.
- 5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, 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. At the same time, supporting papers shall be sent to Committee members and to others called to attend, as appropriate.

6. Minutes of meetings

- 6.1. One of the members of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2. At the beginning of each meeting, the members of the Committee shall ascertain between themselves the existence of any conflicts of interest, how they are to be dealt with and minute accordingly.

6.3. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, be included in the pack for the next regular Board meeting. If that meeting is to be held sooner than five working days after the Committee meeting, the chairman of the Committee shall make an oral report to the Board, with the minutes included in the subsequent board pack. If a conflict of interest exists; the minutes for the meeting shall be redacted suitably and then circulated.

7. Annual General Meeting

7.1. The chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

The Committee should carry out the duties below:

8.1. Determine and agree with the Board the framework or broad policy for the protection and utilisation of the Company Intellectual Property Rights, including Patents, Trademarks and other forms of IP. This policy should address the following general purposes:

8.1.1. maximise the value of the Company business through the protection of its IPR;

8.1.2. reduce the risks of IP actions against the Company;

8.1.3. optimise the costs of maintaining the Company IP portfolio.

8.2. The Committee shall monitor the status of the Company IP portfolio and will take decisions according to but not limited to matters as set out in clauses 8.2.1 to 8.2.3 below:

8.2.1. at the stage when annual patent renewal fees are paid the Committee will decide whether to maintain or to abandon patents in selected countries; these decisions should be based on careful consideration of the potential for the selected patented inventions commercialisation in these countries, the costs involved in maintaining these patents, as well as other business considerations;

8.2.2. when the Company develops new applications, products or processes the Committee will evaluate the potential patentability of these new developments, as well as their commercial potential, to decide whether these developments should be patented or the new IP protected in other ways (i.e. as a commercial secret or know-how) and define the list of countries for such protection;

8.2.3. if necessary request the Company's patent attorneys to conduct a patent search or monitor new patents on competitive developments or other patents which can affect Company business;

8.3. The Committee will review from time to time the legal and organisational structure of the Company IPR holding and utilisation and if necessary may recommend to the Board changes to this structure.

8.4. Before the Company enters into a contract that involves any changes to the Company IPR, such contract must be reviewed and approved by the Committee.

8.5. Reporting responsibilities:

8.5.1. the Committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities:

8.5.2. the Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

8.6. Other matters

The Committee shall:

8.6.1. have access to sufficient resources in order to carry out its duties.

9. Authority

The Committee is authorised to:

9.1. obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and at reasonable cost.

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