

HARDIDE PLC & SUBSIDIARIES

(‘Hardide’ or the ‘Company’)

TERMS OF REFERENCE

for

THE RISK MANAGEMENT COMMITTEE

(The ‘Committee’ or ‘RNC’)

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

(the ‘Board’)

1. Composition & Authority

- 1.1. The members of the Risk Management Committee (“the Committee”) shall comprise the company Chairman (‘Chairman’) and at least two executive directors of the Company.
- 1.2. The Company Secretary or an alternative nominated by the members shall act as the Secretary of the Committee
- 1.3. The quorum necessary shall be three members. A duly convened meeting of the Committee at which a quorum is present shall be authorised to exercise all or any of the powers and discretions vested in the Committee.
- 1.4. The Committee shall meet at least quarterly and at such other times as the chairman of the Committee may require.
- 1.5. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Company shall meet the expense of such advice.

2. Responsibilities

The Committee shall be responsible for

- 2.1. identifying and characterising the Principal Risks to which the Company may be exposed; together with making recommendations to the board as to how these are to be dealt with or, if urgent, how they are to be dealt with by immediate effect by management and without reference to a full board meeting but if appropriate for a full Board meeting to ratify subsequently the action taken. Review of the adequacy of the Company’s insurance cover and authorisation of its renewal. Risks other than the Principal Risks may be dealt with directly by management and without reference to the Board or the Audit Committee.
- 2.2. developing, if deemed needed and requiring implementation, a Company Risk Management strategy and policy and any subsequent amendments thereto.
- 2.3. reviewing reports on key risks in order to monitor the total level of risk.
- 2.4. identifying and considering risks that may be better dealt with by the Audit Committee or the Board, in which case the responsibility for determining how such risk is to be managed may be passed to the Audit Committee and potentially referred to the Board.
- 2.5. delegating the risk management of certain detailed matters to appropriate members of the management team. This shall be done in consultation with the chief executive officer (‘CEO’).

3. Reporting

- 3.1. The Committee shall report to the Board after each of its meetings and include in such report an assessment of the key risks facing the business, including any changes to the risk profile.
- 3.2. The Committee shall prepare the Company’s statement in the Annual Report and Accounts on risk management prior to review by the Audit Committee, the external auditor and final endorsement by the Board.

4. Duties of the Secretary

- 4.1. The Secretary shall keep a proper and timely record of meetings of the Committee and circulate such minutes to all members of the Committee, the Board and to the Company's external auditors.
- 4.2. The Secretary shall ensure that the Committee is properly constituted in accordance with these Terms of Reference. Any actual or anticipated variance of these terms shall be brought to the attention of the chairman of the Committee and the Chairman of the Company as appropriate.
- 4.3. The Secretary should ensure that these Terms of Reference are available to shareholders on request and on the day of an AGM.

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