

# **HARDIDE PLC & SUBSIDIARIES**

(‘Hardide’ or the ‘Company’, or the ‘Group’)

## **MATTERS RESERVED FOR THE BOARD OF DIRECTORS OF THE COMPANY**

**As adopted on 17<sup>th</sup> August 2018, by the Board of the Company (the ‘Board’) and  
Amended by it on 15<sup>th</sup> March 2021**

Save to the extent that they are delegated specifically and in writing to a sub-committee of the Board or the chief executive officer (‘CEO’)<sup>1</sup>, the matters below are “Reserved Matters” and as such can only be determined at a duly-constituted meeting of the Board of Hardide plc.

### **1. Strategy**

- 1.1. Strategic decisions that are, or may be significant, in terms of future profitability.
- 1.2. Any decision to commence, discontinue or modify significantly any business activity or to enter or withdraw from a particular market sector.

### **2. Capital & Finance**

- 2.1. Decisions on share capital changes (authorised and/or issued).
- 2.2. Decisions on investments or capital projects by the Company or its subsidiaries where the principal sum or cost exceeds £50,000 if the amount has been included in the Board-approved budget, or where the principal sum or cost exceeds £10,000 and the amount has not been included in the Board-approved budget.
- 2.3. Decisions to acquire or dispose of Company or Group assets where the acquisition cost, disposal proceeds or profit or loss on disposal exceeds £50,000 if the amount has been included in the Board-approved budget, or where the acquisition cost, disposal proceeds or profit or loss on disposal exceeds £10,000 if the amount has not been included in the Board-approved budget, or which would be likely to be regarded as significant by the Board.
- 2.4. Decisions over new borrowing or significant amendments to the terms and conditions of existing borrowings.
- 2.5. Having due regard to relevant policies set by the risk management and Audit Committee, decisions on:
  - 2.5.1. the adoption of treasury and risk management policies;
  - 2.5.2. entering into foreign exchange contracts.

### **3. Terms of Reference, etc**

- 3.1. Decisions on the wording of any changes to be recommended to the memorandum and articles of association and any other constitutional documents of the Company.
- 3.2. Decisions on the creation, maintenance, terms of reference, leadership and membership of Board Committees.
- 3.3. Initial consideration of any matter (such as a Company name change) which has to be decided by special resolution of the Company.

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<sup>1</sup> Powers delegated to Board sub-committees are recorded in their respective Terms of Reference. The authorities for the CEO set out above appear in an addendum to these revised “Reserved Matters”

#### **4. Delegation of Authority**

- 4.1. Deciding delegation of authority to Board Committees, other committees and the CEO.
- 4.2. Decisions to grant, or vary, power, role, responsibilities and authority levels to individual directors, especially the Chairman and the CEO; and in so doing to specify by implication the ones that the Board reserves to itself.

#### **5. Appointments**

- 5.1. Decision to appoint or remove a director from the Chairmanship of the Board.
- 5.2. Decisions to appoint or remove the auditors or other professional advisors.

#### **6. Contracts and Transactions, etc**

- 6.1. Decisions to commit the Company to directors' contracts, including the terms of their appointment and remuneration.
- 6.2. Decisions to enter into trading contracts with:
  - 6.2.1. suppliers, where the value per contract with that supplier is or is expected to be more than £100,000 annually;
  - 6.2.2. customers, where the additional annual value with that customer is or is expected to be more than £250,000 annually;and those contracts are distinct and have separate terms for supply and are not simply a normal trading relationship.
- 6.3. Decisions relating to any transaction in which a director has a direct or indirect material interest.
- 6.4. Any matter where a director's (or directors') personal interests might conflict with his or her duty to the Company. (Companies Act 2006 stipulates that directors should seek shareholder approval in circumstances where a director's personal interests might conflict with his or her duty to the Company. More generally, a Board of directors is accountable to the shareholders as a whole for its stewardship of the Company).
- 6.5. Significant decisions on any contract or transaction that is material to the Company and falls outside the above categories.
- 6.6. The granting of any parent company guarantee by Hardide plc to any of its subsidiaries.

#### **7. Intellectual Property Rights**

- 7.1. While decisions may be made by the Intellectual Property sub-committee of the Board to acquire, dispose, invest in or otherwise deal with intellectual property rights, these decisions must be reported to the Board, which can then question the reasons for each decision and discuss the guidelines for taking similar decisions in the future.
- 7.2. Decisions to license or otherwise commercialise intellectual property rights.

## **8. Disclosure**

- 8.1. Decisions to adopt financial information for publication (e.g. the annual financial statements, prospectuses, etc).
- 8.2. The presentation of reports and accounts to shareholders at the Annual General Meeting.
- 8.3. Decisions on anything that is likely to generate significant publicity and affect the corporate image of the Company. Unless there was a possibility that it might affect the corporate image of the Company, sales-related publicity, then it would not normally be a reserved matter unless caught by the provisions of clause 6.2 above. In such a case, the Chairman in his sole discretion would determine whether or not decisions related to the publicity in question were reserved matters.

## **9. Meetings**

- 9.1. Deciding policy governing the frequency, notice, purpose, conduct, duration and reporting of Board meetings and especially the setting of agendas.

**END**