

HARDIDE PLC (THE “COMPANY”)

REMUNERATION & NOMINATIONS COMMITTEE (The “Committee” or “RNC”) TERMS OF REFERENCE

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

1. Membership

- 1.1. Members of the Committee shall be appointed by the board. The Committee shall be made up of two members, each of whom shall be independent non-executive directors. The chairman of the board will also serve on the Committee as an additional member when matters in respect of nominations are under discussion so long as he or she was considered independent on appointment as chairman. He or she shall not serve as a member at a Committee when matters relating to the chairman of the board are being discussed.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Company chairman, chief executive and external advisers may be invited to attend for all or part of any meeting as and when appropriate, and as deemed appropriate by the chairman of the Committee.
- 1.3. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director still meets the criteria for membership of the Committee.
- 1.4. The board shall appoint the Committee chairman who shall be an independent non-executive director.

2. Secretary

- 2.1. One of the members of the Committee or their nominee shall act as the secretary of the Committee save when he or she is a subject of a meeting in which case that person shall absent themselves from the Committee during discussion of that matter and a nominee of the Chairman of the Committee shall act as secretary. In the event that the chairman of the Committee is unavailable to nominate a secretary, the Chairman of the Company shall nominate a secretary.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two. 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.
- 3.2. Where there are just two member of the Committee and one member has absented themselves because he or she is a subject of a meeting, or is otherwise unable to attend, the Chairman of the Company shall nominate another director as a temporary member. Whenever possible, that temporary member shall be a non-executive director.

4. Meetings

- 4.1. The Committee shall meet at least twice a year and at such other times as the chairman of the Committee shall require or the Chairman of the Company may request.

5. Notice of meetings

- 5.1. Meetings of the Committee shall be summoned by the chairman of the Committee at the request of any director.

- 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, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of meetings

- 6.1. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the board, unless a conflict of interest exists.

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 in respect of remuneration

The Committee shall:

- 8.1. determine and agree with the board the framework or broad policy for the remuneration of the Company's chief executive, Chairman, the executive directors, the Company secretary and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the Company chairman and the executive members of the board. No director or manager shall be involved in any decisions of their own remuneration;
- 8.2. in determining such policy, take account of all factors that it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to enhance performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- 8.3. review the ongoing appropriateness and relevance of the remuneration policy;
- 8.4. approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes. Any such scheme shall be made at the discretion of the Committee, and include the potential for recovery or clawback of any payment in the event of information coming to light that makes such action appropriate.
- 8.5. review the design of all share incentive plans for approval by the board and shareholders. For any such plans, determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used;
- 8.6. ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- 8.7. within the terms of the agreed policy and in consultation with the chairman and/or chief executive as appropriate, determine the total individual remuneration package of each executive director and other senior executives and staff who report directly to the chief executive, including bonuses, incentive payments and share options or other share awards;
- 8.8. in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the QCA Code on Corporate Governance and the UK Listing Authority's Listing Rules and associated guidance;

- 8.9. oversee any major changes in employee benefits structures throughout the Company or group;
- 8.10. agree the policy for authorising claims for personal expenses from the chief executive and chairman;
- 8.11. ensure that all provisions regarding disclosure of remuneration are fulfilled;
- 8.12. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and
- 8.13. obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys that it deems necessary to help it fulfil its obligations.

9. Duties in respect of nominations

The Committee shall, in respect of directors:

- 9.1. review regularly the structure, size and composition (including the skills, knowledge and experience) required of the board compared to its current position and make recommendations to the board with regard to any changes;
- 9.2. in collaboration with the CEO and Chairman, oversee succession planning for directors and other senior executives, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the board in the future;
- 9.3. be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise, although in certain circumstances, such as the appointment of a replacement non-executive director, the Company Chairman, together with the CEO may take this responsibility;
- 9.4. before any appointment is made by the board, evaluate the balance of skills, knowledge and experience on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for an appointment. In identifying suitable candidates, the Committee shall:
 - 9.4.1. consider candidates from a wide range of backgrounds;
 - 9.4.2. consider candidates on merit and against objective criteria, taking care to establish that appointees shall have enough time available to devote to the position; and
- 9.5. ensure that on appointment to the board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside board meetings.
- 9.6. consider annually, the tenure of any director who has more than nine years' service.

In respect of staff, the Committee shall:

- 9.7. where the full-time equivalent annual salary, for a post equals or exceeds £50,000 or in such appointments which include stock option, agree to the:
 - 9.7.1. creation of any new or additional post or recruitment to an existing post,
 - 9.7.2. the job description for that post,
 - 9.7.3. remuneration package for that post,
 - 9.7.4. choice of candidate to fill the post, and
 - 9.7.5. only where it is proposed to use a recruitment agency or consultant with respect to the Chairman, CEO, or any positions covered under sections 8.7 or 9.6, agree to the terms and conditions of hire of that agency or consultant.

Where not adopted as a responsibility of the Board, the Committee shall also make recommendations to the Board concerning:

- 9.8. formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chairman and chief executive;
- 9.9. membership of any board sub-committee, in consultation with the chairmen of such committees;
- 9.10. re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;
- 9.11. the re-election by shareholders of any director under the 'retirement by rotation' provisions in the Company's articles of association having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;
- 9.12. any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and
- 9.13. the appointment of any director to executive or other office within the company or another organisation.

10. Reporting responsibilities

- 10.1. The Committee chairman shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2. The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3. The Committee shall produce an annual report of the Company's remuneration policy and practices that will form part of the Company's annual.

11. Other

- 11.1. At suitable intervals, the Committee shall review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

12. Authority

- 12.1. The Committee is authorised by the board to seek any information it requires, if necessary in confidence, from any employee of the Company in order to perform its duties.
- 12.2. In connection with its duties, the Committee is authorised by the board, at the Company's expense to:
 - 12.2.1. obtain any outside legal or other professional advice so long as this is at reasonable cost; and
 - 12.2.2. within any budgetary constraints imposed by the board, appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.
- 12.3. At its absolute discretion, the Board of the Company may deal with any matter that might otherwise be dealt with by the Committee.

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