

## Harworth Group PLC (the "Company") Disclosure Committee Terms of Reference

### 1. Definitions

In these terms of reference:

"**Board**" means the board of directors of the Company;

"**Committee**" means the disclosure committee of the Board;

"**Disclosure Guidance**" means the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority;

"**Group**" means the Company and its subsidiary undertakings from time to time;

"**Listing Rules**" means the Listing Rules of the Financial Conduct Authority; and

"**MAR**" means the Market Abuse Regulation (EU) 596/2014.

### 2. Purpose

2.1 MAR, the Disclosure Guidance and the Listing Rules require the Company to disclose in a prescribed manner, as soon as possible, any inside information directly concerning the Company, unless an exemption from disclosure is available.

2.2 The Listing Rules also require that a Company must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with these obligations.

2.3 The Committee has been delegated responsibilities from the Board to oversee the Company's compliance with its disclosure obligations as laid down by MAR, the Disclosure Guidance and the Listing Rules.

2.4 "**Inside information**" is information which:

2.4.1 is of a precise nature;

2.4.2 has not been made public;

2.4.3 relates, directly or indirectly, to an issuer or certain publicly traded securities and related investments; and

- 2.4.4 if it were made public, would be likely to have a significant effect on the price of those securities or related investments.

Information is "precise" if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the price of relevant publicly traded securities.

Information which, if it were made public, would be likely to have a significant effect on the price of securities means information which a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

- 2.5 Under MAR, the Company is also required to maintain insider lists, being lists of those persons working for the Company with access to inside information concerning the Company.
- 2.6 The Board has adopted: (i) a code on share dealings ("**Code**") which aims to ensure that certain statutory restrictions and obligations relating to dealings in securities (including options over shares) of the Company are complied with; and (ii) an inside information policy ("**Policy**") that sets out the internal procedures regulating the disclosure and management of inside information.

### **3. Membership**

- 3.1 The Committee shall be appointed by the Board and shall comprise as least three Directors or, in the alternative, two Directors and the Company Secretary. The Board shall appoint the Committee Chair. At the date of these terms of reference the Committee comprises:
- 3.1.1 Kitty Patmore (the Chief Financial Officer), who will Chair the Committee;
- 3.1.2 Owen Michaelson (the Chief Executive); and
- 3.1.3 Chris Birch (the Group General Counsel and Company Secretary).
- 3.2 Only members of the Committee have the right to attend Committee meetings. However, the Committee may invite any Directors, other executives of the Company or any external professional advisers to attend all or part of any meetings as and when appropriate.
- 3.3 The Company Secretary or his/her nominee shall act as the secretary of the Committee.

### **4. Duties**

- 4.1 The Committee has been established to:
- 4.1.1 draw up and maintain a system of procedures and controls for the identification, treatment and disclosure of inside information, ("**Disclosure Procedures**") which shall include the (i) the Policy; and (ii) the Code (or any equivalent policies or rules, as adopted by the Company from time to time);
- 4.1.2 implement the Disclosure Procedures, including where appropriate arranging for the dissemination of guidelines and training;
- 4.1.3 monitor compliance with the Disclosure Procedures;
- 4.1.4 determine whether information that is submitted to it constitutes inside information in relation to the Company or its securities;

- 4.1.5 assess whether it is permissible to delay disclosure of inside information and, if it is, make a record of that decision and the reasons for it in accordance with the requirements of MAR;
  - 4.1.6 keep any decision to delay disclosure of inside information under review;
  - 4.1.7 assess whether inside information may be disclosed selectively to third parties when it is permissible to delay disclosure;
  - 4.1.8 alert the Company Secretary to the existence of inside information, in order that insider lists can be created or amended;
  - 4.1.9 where a disclosure of inside information to the market is required and cannot be delayed, review and advise on the nature, content, scope and timing of the proposed disclosure and any submission to be made to the Financial Conduct Authority (if disclosure has been delayed);
  - 4.1.10 ensure that all regulatory announcements, shareholder circulars, prospectuses and any other documents issued by the Company (other than announcements or documents of a routine nature) are scrutinised to ensure that they are true, complete and accurate and comply with applicable requirements;
  - 4.1.11 consider and assess the requirement for announcements in the case of rumours relating to the Company and/or leaks of inside information and, in particular, the need to issue a holding announcement;
  - 4.1.12 monitor the materiality of any variance between the Company's performance and its own forecasts;
  - 4.1.13 monitor analysts' expectations as to the Company's performance and recommend any necessary corrective action; and
  - 4.1.14 review the Disclosure Procedures and these terms of reference on an annual basis, recommending any changes to the Board.
- 4.2 In the event of any doubt and/or disagreement as between the members of the Committee, it shall consult with the Chair of the Board or, in his/her absence, the Senior Independent Director.

## **5. Quorum**

- 5.1 The quorum necessary for the transaction of business shall be two.
- 5.2 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.

## **6. Frequency Of Meetings**

- 6.1 The Committee shall meet (including by audio or video conference) at such times as shall be necessary or appropriate, as determined by the Chair of the Committee.
- 6.2 In addition, the Committee will meet at least once annually to review the operation, adequacy and effectiveness of the Disclosure Procedures (as defined below) and its own procedures.

## **7. Notice Of Meetings**

- 7.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chair of the Committee.
- 7.2 Unless otherwise agreed, notice of each meeting, together with an agenda of items to be discussed and any supporting papers, shall be forwarded in advance and in a timely manner (as circumstances permit) to each member of the Committee and any other person required to attend.
- 7.3 Meetings of the Committee may be called on short or immediate notice.

## **8. Minutes Of Meetings**

- 8.1 The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 8.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board, unless, in the opinion of the Chair of the Committee, it would be inappropriate to do so.

## **9. Authority**

- 9.1 The Committee is authorised by the Board to obtain, at the Company's expense, external professional advice as necessary and in particular from the Company's brokers, legal advisers and financial PR advisers.
- 9.2 In discharging its responsibilities, the Committee shall have unrestricted access to the Company's management and books and records and is authorised to seek any information it requires from any employee. All employees shall be directed to co-operate with any request made by the Committee.

**Last reviewed and amended 21 November 2019**