

CAPRICORN ENERGY PLC NOMINATION & GOVERNANCE COMMITTEE – TERMS OF REFERENCE (MARCH 2022)

1. Constitution and authority

- 1.1. The nomination & governance committee (the "Committee") is constituted as a committee of the board of directors (the "Board") of Capricorn Energy PLC (the "Company") in accordance with the Articles of Association of the Company.
- 1.2. The Committee has the delegated authority of the Board in respect of the functions, powers and responsibilities set out in these terms of reference.
- 1.3. The Committee may sub-delegate any or all of its powers and authority to one or more of its members including, without limitation, the establishment of sub-committees which are to report back to the Committee.

2. Membership

- 2.1. The Committee shall comprise at least three members. A majority of the members of the Committee shall be independent non-executive directors. The Chief Executive shall also be a member of the Committee.
- 2.2. The Board shall appoint the Committee Chair, who should be either the chair of the Board or an independent non-executive director. In the absence of the Committee Chair and / or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The chair of the Board shall not chair the Committee when it is dealing with the matter of succession to the position of chair of the Board.
- 2.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Group HR Manager and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

3. Secretary

- 3.1. The Company Secretary or his / her nominee shall act as the Secretary of the Committee.

4. Quorum

- 4.1. The quorum necessary for the transaction of business shall be two Committee members, which for the avoidance of doubt may include the non-executive chair of the Board.

5. Frequency of Meetings

- 5.1. The Committee shall meet at least twice a year and otherwise as required.

6. Notice of Meetings

- 6.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.
- 6.2. 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, in sufficient time to allow the Committee to consider the papers. Supporting papers shall be sent to the Committee members and to other attendees as appropriate, at the same time. Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

7. Minutes of Meetings

- 7.1 The Secretary (or his / her nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be sent to the Committee Chair for comment, following which minutes should be circulated to all other members of the Committee and to the Board for approval.
- 7.3 A resolution in writing authenticated by all Committee members who would be entitled to vote (and which may consist of several documents in the same form each authenticated by one or more of the Committee members) will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

8. Voting Arrangements

- 8.1 Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person or by audio or video conference).
- 8.2 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly, has a conflict of interest, that member shall not be permitted to vote at the meeting. The Committee Chair may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

9. Annual General Meeting

- 9.1 The Committee Chair should attend the Company's annual general meeting to answer any shareholder questions on the Committee's activities.

10. Duties - nomination

The Committee shall, in conjunction with the full Board as appropriate:

- 10.1 regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- 10.2 give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills, knowledge, experience, independence, diversity and expertise needed on the Board in the future;
- 10.3 consider, at least annually, management's succession plans for senior management below the level of executive director and oversee the development of a diverse pipeline for succession;
- 10.4 satisfy itself that plans are in place for the orderly succession of appointments to the Board and senior management;
- 10.5 keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 10.6 be responsible for identifying and nominating for approval of the Board, candidates to fill Board vacancies as and when they arise;
- 10.7 before any appointment is made by the Board, evaluate the balance of skills, knowledge, independence, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:-
 - 10.7.1 wherever possible, and particularly for the appointment of the chair of the Board and non-executive directors, use open advertising or an external search consultancy to facilitate the

search (if an external search consultancy is engaged it should be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors);

- 10.7.2 consider candidates on merit and against objective criteria and, within this context, seek to ensure that appointments promote diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths, taking care that appointees also have enough time available to devote to the position;
- 10.8 for the appointment of Chair of the Board, the Committee should prepare a job specification, including the time commitment expected. A proposed chair's other significant commitments should be disclosed to the Board before appointment and any changes to the chair of the Board's commitments should be reported to the Board as they arise;
- 10.9 prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 10.10 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 duties, time commitment and committee service;
- 10.11 if requested by the chair of the Board, assist with the implementation of the annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its committees, including consideration of the balance of skills, experience, independence and knowledge of the Company, its diversity (including gender), how the Board works together as a unit, and other factors relevant to the Board's effectiveness;
- 10.12 review the results of the Board performance evaluation process that relate to the composition of the Board;
- 10.13 keep under review the number of external directorships held by each director;
- 10.14 consider proposals for the re-appointment or promotion of directors and also any proposal for their dismissal, retirement, non re-appointment or any substantial change in their duties or responsibilities or the term of their appointment;
- 10.15 work and liaise as necessary with all other Board committees.

The Committee shall also consider and, where appropriate, make recommendations to the Board concerning:

- 10.18 the chair of the Board, taking into account the UK Corporate Governance Code provision that the chair should be independent on appointment and should not remain in post beyond nine years from the date of their first appointment (but recognising that this period can be extended for a limited time to facilitate effective succession planning, particularly where the chair was an existing non-executive director on appointment);
- 10.19 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chair of the Board and Chief Executive;
- 10.20 suitable candidates for the role of senior independent director;
- 10.21 the composition of each of the Board committees, in consultation with the chair of each committee;
- 10.22 the re-appointment of any non-executive director beyond a term of nine years having given due regard to their performance and ability to contribute to the Board in the light of knowledge, skills and experience required and the need for progressive refreshing of the Board;
- 10.23 the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code.

- 10.24 the appointment of any director to executive or other office, and 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 law and their service contract.

11. Duties – governance

The Committee shall, in conjunction with the full Board as appropriate:

- 11.1 monitor the operation of the UK Corporate Governance Code and its implementation and compliance by the Company;
- 11.2 review and approve changes to the Board's corporate governance practices and policies and monitor the Company's compliance with applicable governance related legal, regulatory and listing requirements;
- 11.3 review developments in corporate governance generally and advise the Board periodically with respect to significant developments in the law and practice of corporate governance; and
- 11.4 review any material information of the Company made public or made available to any public body by the Company relating to corporate governance.

12. Reporting Responsibilities

- 12.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 12.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 12.3 The Committee shall produce a report to be included in the Company's annual report about its activities, including (i) the process used in relation to appointments, its approach to succession planning and how both support developing a diverse succession pipeline, (ii) how the Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual directors, the outcomes and actions taken, and how it has or will influence Board composition, (iii) the policy on diversity and inclusion, its objectives and linkage to Company strategy, how it has been implemented and progress on achieving the objectives; (iv) the gender balance of those in senior management and their direct reports; and (v) governance related activities undertaken during the year.

13. Other Matters

The Committee shall:

- 13.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 13.2 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate;
- 13.3 arrange for periodic reviews of its own performance and regularly review its constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

14. Advice

- 14.1 The Committee is authorised by the Board to obtain, at the Company's expense, appropriate outside legal or other professional advice on any matters within its terms of reference.