

CAPRICORN ENERGY PLC SUSTAINABILITY COMMITTEE – TERMS OF REFERENCE (MARCH 2022)

1. Constitution and authority

- 1.1. The sustainability 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 Energy Transition Director 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 once in each half calendar 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

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

- 10.1 advising and supporting the board in the drafting of the Sustainability and Net Zero roadmap and assessing its progress and reviewing disclosures being made regarding the roadmap;
- 10.2 review the policies, practices and performance relating to sustainability and the disclosures and annual reporting on sustainability;
- 10.3 review the policies, practices and performance relating to safety, including in particular regarding the safe and responsible performance of the Group's operations;
- 10.4 review the policies, practices and performance relating to social responsibility;
- 10.5 review the policies, practices and performance relating to environmental matters including, in particular, protection of the environment and disclosure of Greenhouse Gas emissions;
- 10.6 consider external disclosure expectations, recommendations and stakeholder considerations regarding the matters covered by the Committee.

11. Reporting Responsibilities

- 11.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 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. Other Matters

The Committee shall:

- 12.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 12.2 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.

13. Advice

- 13.1 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.