

**SERINUS ENERGY PLC (the “Company”)**

**TERMS OF REFERENCE FOR THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE  
 (“ESG”) COMMITTEE**

**Adopted by the Board pursuant to a meeting held on 12 May 2021**

***References to the “Committee” shall mean the Environmental, Social and Governance Committee.***

***References to the “Board” shall mean the board of directors of the Company.***

In keeping with the principles of good corporate governance, the Board has established the Committee and adopted the terms of reference (the “**Terms of Reference**”) below for the Committee that comply with the guidelines set out in the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies (the “**QCA Code**”) and the AIM Rules for Companies (the “**AIM Rules**”) published, from time to time by the London Stock Exchange plc.

**1. Membership**

- 1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Executive Directors, and in consultation with the Chairman of the Remuneration Committee. The Committee shall be made up of at least three (3) members, all of whom shall be independent.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals and external advisers may be invited to attend all or part of any Committee meeting as and when appropriate and necessary
- 1.3 The Board at its organizational meeting held in conjunction with each annual general meeting of the shareholders of the Company shall appoint the members of the Committee for the ensuing year. If the Board shall fail to do so, persons who are members of the Committee immediately preceding the most recent annual general meeting of the shareholders of the Company, provided they continue to be directors of the Company and remain qualified to serve on the Committee, shall be deemed to be reappointed to the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- 1.4 The Board shall appoint the Chairman of the Committee (the “**Chairman**”). In the absence of the Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.

**2. Secretary**

- 2.1 The Company Secretary or the Head of Corporate Administration (or a nominee appointed by the Company Secretary) shall act as the Secretary of the Committee.

**3. Quorum**

- 3.1 The quorum necessary for the transaction of business by the Committee shall be two (2) members, present in person or by audio or video conference. 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.

#### **4. Voting Arrangements**

- 4.1 Each member of the Committee shall have one vote which may be cast on matters considered at Committee meetings. Votes can only be cast by members attending a Committee meeting, whether in person or by audio or video conference.
- 4.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote on the matter at the Committee meeting.
- 4.3 Save where he has a personal interest, the Chairman of the Committee will have a casting vote.

#### **5. Frequency of Meetings**

- 5.1 The Committee shall meet at least once a year, and at such other times as the Chairman of the Committee shall require.

#### **6. Notice of Meetings**

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members.
- 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 no later than five (5) 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.
- 6.3 Meetings of the Committee may be conducted when the members are physically present or in the form of either a video or audio conference.
- 6.4 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 Meeting**

- 7.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings (including the names of those present and in attendance) and shall ensure the Committee is properly constituted and advised.
- 7.2 The Secretary should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3 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 or if, in the opinion of the Chairman of the Committee, it would be inappropriate to do so.

## **8. Annual General Meeting**

- 8.1 The Chairman of the Committee shall attend the Company's Annual General Meeting ("AGM") prepared to respond to any shareholder questions on the Committee's activities.

## **9. Duties**

- 9.1 Members of the Committee should carry out the duties below for the Company and the group as a whole, as appropriate.

- 9.2 The Committee shall, in conducting all of its duties in accordance with these Terms of Reference, act in a way it considers in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole. In doing so, the Committee must have regard (among other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's stakeholders;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high stands of business conduct; and
- (f) the need to act fairly as between the shareholders of the Company.

## **10. ESG Framework and Board Policy**

- 10.1 The Committee shall: assess the effectiveness of Serinus Energy's Environmental, Social and Governance policies, programmes, practices and systems for:

- (a) identifying, managing and mitigating or eliminating ESG risks in connection with the Company's operations and corporate activity, including the level of preparation and readiness to respond to a major environmental incident; and
- (b) ensuring compliance with legal and regulatory requirements and international industry standards and guidelines applicable to ESG matters;
  - (i) assess the performance of Serinus Energy with regard to the impact of decisions relating to ESG matters, including any social or community projects undertaken by the Company, and any related actions upon employees, communities and other third parties, and further assess the impact of such decisions and actions on the reputation of the Company;
  - (ii) review the quality and integrity of internal and external reporting of ESG matters and performance;
  - (iii) review the results of any independent audits of the Company's performance in regard to ESG matters, review any strategies and action plans developed by management in response to issues raised; and

- (iv) review the process for, and outcomes of, investigations into major environmental incidents and the effectiveness with which recommendations are assimilated throughout the Serinus Group; and make recommendations to the Board on any of the matters listed above that the Committee considers appropriate.
- (c) although the Committee can seek the advice and assistance of the executive and senior management on matters falling within its duties and responsibilities, it must ensure that any such advice and assistance is clearly separated from the role that the relevant member(s) of executive management performs within the business.
- (d) assist the Board in defining Serinus Energy's strategy relating to ESG matters.

## **11. Resources, External Advice and Training**

### **11.1 The Committee shall:**

- (a) have access to Company resources in order to carry out its duties. Such resources shall include: access to the Head of Corporate Administration, access to professional technical advice relevant to the duties of the Committee as required, and assistance from the legal, administrative and financial functions of the Company as it may reasonable require;
- (b) be permitted access to the Company's records and personnel and have the authority to call upon all UK and overseas staff to obtain all information, records and financial data that it considers reasonably necessary to properly discharge its duties;
- (c) members of the Committee will be provided training and professional support on all ESG matters as are reasonably required to perform the duties of the Committee;
- (d) consult with external consultants including but not limited to: environmental or corporate social responsibility consultants, legal advisors and/or auditors.

## **12. Reporting Responsibilities**

- 12.1 The Chairman of the ESG Committee shall report formally to the Board on its proceedings of the Committee, after each Committee 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 of the Company's ESG policy and practices to be included in the Company's annual report and ensure that each year such report is put to shareholders for approval at the AGM

## **13. Other**

- 13.1 The Committee shall make available to shareholders these Terms of Reference by placing them on the Company's website.

- 13.2 If the Company appoints external consultants to advise it, the annual report shall identify such consultants and the Committee shall make available a statement of whether or not such consultants have any other connection with the Company.
- 13.3 The Committee shall give due consideration to applicable laws and regulations and the requirements of the AIM Rules.
- 13.4 The Committee shall, at least once a year, 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.
- 13.5 The Committee shall consider such other matters as may be requested by the Board and work and liaise as necessary with all other board committees.
- 13.6 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Heads of Corporate Administration for assistance as required and be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

#### **14. Authority**

- 14.1 The Committee is authorised to:
- (a) examine any activity within its terms of reference;
  - (b) seek any information it requires from any member of the Board and/or any employee of the Company in order to perform its duties;
  - (c) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference.

#### **Committee constituted and Terms of Reference adopted**

**12 May 2021**