

# Europa Oil & Gas (Holdings) plc

## ESG Committee Terms of Reference

As approved by the board on 11<sup>th</sup> January, 2022

### 1. Membership

- 1.1. The Committee shall comprise at least three members. The Committee shall include at least one member of the audit committee and members of the Committee shall be appointed by the Board, or on the recommendation nominations committee.
- 1.2. At least two of the members of the ESG Committee shall be independent non-executive, and the committee will always have a majority of independent non-executive directors. The Chair of the Board may serve as a member (but not Chair) of the Committee if he or she was considered independent on appointment as Chair of the Board.
- 1.3. Only members of the Committee have the right to attend Committee meetings. However, other non-members may be invited to attend all or part of any meeting as and when appropriate.
- 1.4. 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 remains independent.
- 1.5. The Board shall appoint the Committee chairman, on the recommendation of the nominations committee. The Chair shall be a non-executive director. In the absence of the Committee chairman and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

### 2. Secretary

The company secretary, or his or her nominee, shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

### 3. Quorum

The quorum necessary for the transaction of business shall be over 50% of the members.

#### **4. Frequency of meetings**

4.1. The Committee shall meet at least three times a year and otherwise as required.

#### **5. Notice of meetings**

5.1. Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members.

5.2. Unless otherwise agreed by the Committee, 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 no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members at the same time

5.3. Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

#### **6. Minutes of meetings**

6.1. The secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

6.2. Draft minutes of Committee meetings shall be agreed with the Committee chairman and then circulated promptly to all members of the Committee, unless it would be inappropriate to do so in the opinion of the Committee chairman.

#### **7. Annual general meeting**

The Committee chairman should attend the annual general meeting to answer shareholder questions.

#### **8. Duties**

On behalf of and to the Board the Committee should have oversight of the Group as a whole in relation to the Group's ESG strategy and activities. This includes reviewing the ESG policies and initiatives ensuring they remain effective and up to date along with ensuring compliance with legal and regulatory requirements including corporate governance principles and industry standards, applicable to the Company.

The Board has adopted a precautionary approach to ESG, identifying and assessing the potential risks and impacts of our operations on the world around us, at all stages of a project and the oversight of this lies with the ESG Committee.

Unless required otherwise by regulation, the ESG Committee will carry out the duties below for the parent company and the group as a whole.

#### 8.1. ESG Strategy, monitoring and reporting.

- 8.1.1. The Committee shall oversee the ESG strategy and set the ESG targets for the Company;
- 8.1.2. The ESG annual budget shall be set by the Committee for the approval of the Board;
- 8.1.3. Any third-party relationships pertaining to ESG matters will be assessed approved by the ESG Committee, who will also conduct annual assessments of these relationships;
- 8.1.4. All external communications relating to ESG matters will be approved by the ESG Committee;
- 8.1.5. The Committee shall monitor how the ESG Strategy is received by all stakeholders in the business paying regard to the Company's shareholders, the media, relevant regulators and ESG rating agencies as well as comparing the Company's ESG performance against competitors and regulatory standards; and,
- 8.1.6. The Committee shall ensure that the Company adheres to all relevant reporting requirements and that sufficient information is provided to the ESG ratings agencies. In addition, the committee will approve the relevant ESG sections of the Company's Annual Report and ensure all stakeholders receive appropriate information about the Company's ESG activities.

#### 8.2. Environment

- 8.2.1. The Company recognises that in going about its business its activities may generate emissions and/or could have a detrimental impact on the environment. The Board is committed to ensuring that the environmental impacts are taken into account and that the Company is regarded as a good steward of hydrocarbon resources. As such the ESG Committee will consider how it can actively reduce greenhouse gas emissions, energy consumption in its activities; and,
- 8.2.2. For all existing and future projects the Committee will consider the generation and use of renewable energy, biodiversity and habitat, impact on water resources, pollution, resources efficiency and the reduction and management of waste and adapt its plans in order to reduce the environmental impact of its operations to as low as reasonably possible.

### 8.3. Social

8.3.1. The Committee will consider the Company's interactions with employees, host governments, commercial and state counterparties, stakeholders and the communities in which it operates to ensure that these relationships are being appropriately managed; and,

8.3.2. The Committee will consider the role of the Company in society, the impact of workplace policies (including procurement), any social or community projects undertaken by the Company and social aspects of the supply chain, community and stakeholder engagement or partnerships to ensure that all groups impacted by the activities of the business are given suitable consideration.

### 8.4. Governance

8.4.1. The ESG Committee is responsible for ensuring that the appropriate governance policies are in place. All relevant policies relating to ESG shall be reviewed by the committee, including, but not limited to:

- 8.4.1.1. Health and Safety;
- 8.4.1.2. Environment;
- 8.4.1.3. Employee welfare;
- 8.4.1.4. Diversity and equal opportunities;
- 8.4.1.5. Whistleblowing; and,
- 8.4.1.6. Bribery and Corruption.

8.5. Where the Committee is not satisfied with any aspect of the ESG framework it shall report its views to the Board.

## 9. Reporting responsibilities

The Committee is a committee of the Board, from which it derives its authority and to which it regularly reports and the ESG Committee shall undertake its responsibilities for the group as a whole. The Committee shall be responsible to the Board for its work without prejudice to the Board's responsibility for such work or the duties and authority of the Committee.

9.1. The Committee chairman shall report formally to the board on its proceedings after each meeting on all matters, shall formally report to the board on how it has discharged its responsibilities and shall make whatever recommendations to the Board it deems appropriate on any area within its remit. This report shall include:

- 9.1.1. the significant issues that it considered;

9.1.2. its assessment of the effectiveness of the existing processes and policies; and

9.1.3. any other issues on which the Board has requested the Committee's opinion.

9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.3. The Committee shall compile a report on its activities to be included in the company's annual report. The report should include an explanation of how the Committee has addressed the effectiveness of the internal policies; the significant issues that the committee considered in relation to the ESG policy and how these issues were addressed.

9.4. In compiling the reports referred to in 9.1 and 9.3, the Committee should exercise judgement in deciding which of the issues it considers are significant,. The report to shareholders need not repeat information disclosed elsewhere in the annual report.

## 10. Other matters

The Committee shall:

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

10.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

10.3. give due consideration to relevant laws and regulations; and,

10.4. arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board.

## 11. Authority

The Committee is authorised to:

11.1. seek any information it requires from any employee of the company in order to perform its duties;

11.2. obtain, at the company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so;

- 11.3. call any employee to be questioned at a meeting of the Committee as and when required;
- 11.4. 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. The Board shall review the Committee's effectiveness annually; and,
- 11.5. work and liaise as necessary with all other board committees.