

DATED

5 July 2024

**KINOVO PLC
ESG COMMITTEE
TERMS OF REFERENCE**

KINOVO PLC (the Company)
TERMS OF REFERENCE OF THE ESG COMMITTEE
Adopted by resolution of the Board on 5 July 2024

1. CONSTITUTION

- 1.1 The ESG Committee of the Company (the **ESG Committee**) has been established as a board committee in accordance with the Company's articles of association by resolution of the board of directors (the **Board**).
- 1.2 The ESG Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 1.3 The ESG Committee may sub-delegate any or all of its powers and authority it considers suitable to one or more of its members or the company secretary, including, without limitation, the establishment of sub-committees which are to report back to the ESG Committee.

2. PURPOSE

The purposes for which the ESG Committee is established are to ensure that:

- 2.1 ESG policies and practices are designed to support strategy and promote long-term sustainable success;
- 2.2 ESG performance is aligned to the Company's purpose and values, and is clearly linked to the successful delivery of the Company's long-term strategy.

3. MEMBERSHIP

- 3.1 The members of the ESG Committee shall be appointed by the Board in consultation with the chair of the ESG Committee.
- 3.2 The ESG Committee shall have at least three members. Two of the members shall be independent non-executive directors, that is, independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment.
- 3.3 Appointments to the ESG Committee shall be for a period of up to three years, which may be extended by no more than two additional periods of up to three years each provided the member continues to meet the criteria for membership.
- 3.4 The chair of the ESG Committee shall be appointed by the Board who shall be an independent non-executive director. In the absence of the chair of the ESG Committee, the remaining members present at a meeting of the ESG Committee shall elect one of their number to chair that meeting.
- 3.5 If a member is unable to act for any reason the chair of the ESG Committee may appoint another non-executive director as an additional member provided always that the majority of members of the committee shall be independent as described in paragraph 3.2 above.

On the date of adoption of these terms of reference, the members of the ESG Committee shall be two Non-Executives, one being chair and one Executive, which will form quorum.

4. SECRETARY

The secretary of the ESG Committee shall be a member of the ESG Committee.

5. **QUORUM**

The quorum for all meetings of the ESG Committee shall be two members. A duly convened meeting of the ESG 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 ESG Committee.

6. **MEETINGS**

6.1 The ESG Committee shall meet at least two times each year.

6.2 Meetings of the ESG Committee shall be convened by the secretary of the ESG Committee at the request of the chair of the ESG Committee. In addition, any of the following may ask the secretary of the ESG Committee to convene a meeting if that person considers that such a meeting is necessary or appropriate:

6.2.1 the chair of the ESG Committee; and

6.2.2 any member of the Board

6.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the items to be discussed, shall be forwarded to each member of the ESG Committee, any other person required to attend, no later than two clear working days before the date of the meeting. Any supporting papers shall be sent to members of the ESG Committee and to other attendees, as appropriate, at the same time.

7. **VIRTUAL COMMITTEE MEETINGS**

7.1 Subject to the Company's Articles of Association in force from time to time, a meeting of the ESG Committee may be held by telephone or electronic means with some or all of the members of the ESG Committee being in different places provided that each member of the ESG Committee may participate in the business of the meeting whether directly, by telephone or by any other electronic means which enables the member:

7.1.1 to hear each of the other participating members of the ESG Committee, and any other person invited to attend the meeting in accordance with paragraph 8, addressing the meeting; and

7.1.2 if the member so wishes, to address simultaneously all of the other participating members of the ESG Committee and any other person invited to attend the meeting in accordance with paragraph 8.

7.2 A quorum is deemed to be present if those members of the ESG Committee required to form a quorum as set out in paragraph 5 above may participate in the manner specified in paragraph 7.1 above in the business of the meeting.

7.3 A ESG Committee meeting held in the manner specified in paragraph 7.1 above is deemed to take place at the place where the largest group of participating members of the ESG Committee is assembled or, if no such group is readily identifiable, at the place from where the chair of the ESG Committee participates.

8. **ATTENDANCE AT MEETINGS**

8.1 Only members of the ESG Committee have the right to attend meetings of the ESG Committee. However, the ESG Committee may invite any person it thinks appropriate to join the members of the ESG Committee at its meetings.

8.2 The chief executive officer of the Company should normally be invited to attend meetings of the ESG Committee to discuss the performance of the other executive directors and to make proposals relating to their ESG Performance as necessary.

9. **VOTING AT MEETINGS**

- 9.1 Each member of the ESG Committee, present and voting in person at a meeting, shall have one vote which may be cast on each matter considered at that meeting.
- 9.2 A member shall not be permitted to vote on any matter considered at a meeting in relation to which that member is considered by the ESG Committee to have a direct or indirect personal interest.
- 9.3 Save where he is prevented from voting in accordance with paragraph 9.2, the chair of the ESG Committee shall have a casting vote.

10. **AUTHORITY**

The ESG Committee is authorised by the Board to:

- 10.1 investigate any activity within its terms of reference;
- 10.2 seek any information it requires from any employee or director of the Company who shall be directed to co-operate with any request made by the Company;
- 10.3 obtain outside legal or other independent professional advice at the Company's expense, including independent ESG Performance consultants, when the ESG Committee reasonably believes it is necessary to do so; and
- 10.4 instruct external professional advisers to attend any meeting at the Company's expense if the ESG Committee considers this necessary or appropriate.

11. **FUNCTION, DUTIES AND TERMS OF REFERENCE**

- 11.1 The duties of the ESG Committee shall be to:
- 11.1.1 to exercise oversight over the design, setting and delivery of the Company's Environment, Social and Governance targets;
- 11.1.2 Approve all ESG Disclosures that are made and published by the company;
- 11.1.3 Provide oversight of ESG policies which are to be reviewed regularly.
- 11.1.4 to obtain reliable, up-to-date information about ESG performance in other United Kingdom listed companies of a similar size in any comparable industry sector and assess whether changes to the ESG targets or disclosures should be made.
- 11.1.5 to ensure that decisions are reached in good faith and that any decision made would be most likely to promote the success of the Company for the benefit of its members as a whole. The ESG Committee, when reaching decisions, should consider (among other matters):
- (a) the likely consequences of any decision in the long term;
 - (b) the interests of the Company's employees;
 - (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 standards of business conduct; and
 - (f) the need to act fairly as between the members of the Company; and
- 11.1.6 to consider such other matters as may be requested by the Board from time to time.

12. **OTHER MATTERS**

The ESG Committee shall:


- 12.1 have access to sufficient resources in order to carry out its duties;
- 12.2 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;
- 12.3 give due consideration to laws and regulations, the provisions of the QCA Corporate Governance Code, the AIM Rules for Companies, the FCA's Disclosure Guidance and Transparency Rules (in so far as they apply to the Company) and any other applicable rules as appropriate; and
- 12.4 arrange for periodic reviews of its own performance and, at least once a year, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend to the Board any changes it considers necessary.

13. **REPORTING RESPONSIBILITIES**

- 13.1 The chair of the ESG Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The ESG Committee shall make whatever recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for board discussion when necessary.
- 13.2 If the ESG Committee has appointed ESG Performance consultants, the consultant must be identified in the annual report alongside a statement about any other connection it has with the Company or individual directors.
- 13.3 The chair of the ESG Committee should attend the Company's annual general meeting to answer any questions about the work of the ESG Committee. In addition, the chair of the ESG Committee should seek engagement with shareholders on significant matters related to the committee's areas of responsibility.

14. **MINUTES**

- 14.1 The secretary of the ESG Committee shall prepare minutes of the proceedings and resolutions of committee meetings, including the names of those present and in attendance.
- 14.2 Drafts of such minutes shall be circulated promptly to all members of the ESG Committee and, once approved, the minutes shall be submitted to all members of the Board (unless to do so would be inappropriate).
- 14.3 The recommendations made in the minutes of the ESG Committee must be approved by the Board before they can be implemented.



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Director
for and on behalf of
the board of directors of **KINOVO plc**



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Director
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the ESG Committee of
the board of directors of **KINOVO plc**

Date: 5 July 2024