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**Peel Hunt Limited (the "Company")**  
**ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE COMMITTEE**  
**TERMS OF REFERENCE**

8 December 2023

**PEEL HUNT LIMITED**  
(the "Company")

**Environmental, Social and Governance Committee Terms of Reference**

Approved and Adopted by the Board of the Company  
At a Board Meeting held 8 December 2023

**1. CONSTITUTION**

- 1.1. The board of directors of the Company (the "**Board**") has established a committee of the Board known as the Environmental, Social and Governance ("**ESG**") Committee (the "**Committee**"). The meetings and proceedings of the Committee are governed by these Terms of Reference.

**2. MEMBERSHIP AND ATTENDANCE**

- 2.1. The Committee shall comprise at least three members, with the usual number being four. The Committee shall comprise of both executive and non-executive directors.
- 2.2. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee, in consultation with the chair of the Committee (the "**Committee Chair**"). Appointments shall be for a period of up to three years, which may be extended for up to two additional three-year periods.
- 2.3. Only members of the Committee have the right to attend Committee meetings. However, the chair of the Diversity, Equity & Inclusion ("**DEI**") Forum, the chair of the Sustainability Forum, the HR Director, the Chief of Internal Audit, and members of the management-level ESG Working Group will be invited to attend meetings on a regular basis and other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 2.4. The Board shall appoint the Committee Chair who shall be an independent non-executive director. In the absence of the Committee Chair and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of their number to preside as Committee Chair.

**3. SECRETARY**

- 3.1. The Company Secretary, or his or her nominee, shall act as the secretary of the Committee ("**Secretary**") 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.
- 3.2. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

**4. QUORUM**

- 4.1. The quorum necessary for the transaction of business shall be two members.

- 4.2. 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.
- 4.3. The Committee may hold meetings in person, by telephone, or using any other method of electronic communication that permits the participants to communicate adequately with each other during the meeting.

## **5. FREQUENCY OF MEETINGS**

- 5.1. The Committee shall meet at least four times a year and otherwise as required.
- 5.2. Outside of formal meetings, the Committee Chair will maintain a dialogue with key individuals involved in the Company's governance.

## **6. NOTICE OF MEETINGS**

- 6.1. Meetings of the Committee shall be convened by the Secretary at the request of the Committee Chair or 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 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. Shorter notice and/or late submission or circulation of supporting papers will be permitted at the discretion of the Committee Chair.
- 6.4. Notices and supporting papers may be circulated electronically.

## **7. MINUTES OF MEETINGS**

- 7.1. The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2. Draft minutes of Committee meetings shall be agreed with the Committee Chair and then circulated to all members of the Committee.
- 7.3. Where practical, minutes from the previous meeting shall be tabled for review and approval at the next scheduled meeting. Once approved, minutes should be circulated to the Board unless, exceptionally, it would be inappropriate to do.
- 7.4. A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting.

## **8. ENGAGEMENT WITH SHAREHOLDERS**

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

## 9. DUTIES

- 9.1. The Committee will review and advise on the formulation, implementation, and development of Peel Hunt's ESG strategy with regard to current and future ESG objectives. The Committee shall:
- (a) identify, measure, and monitor relevant ESG matters that affect or may affect the operations of the Group and/or its strategy;
  - (b) ensure relevant long and short term ESG objectives are in place and, where appropriate, capable of being reported on internally and, where deemed appropriate, externally;
  - (c) provide oversight of the Group's overall approach to its sustainability and diversity commitments and targets;
  - (d) assess the effectiveness of the Group's policies, procedures, and systems for identifying and managing ESG risks in connection with the operations of the Group and/or its strategy and for ensuring compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to ESG matters;
  - (e) approve related codes of practice and policies; and
  - (f) identify, measure, and monitor all other ESG-related matters contemplated by these Terms of Reference.
- 9.2. The Committee will work and liaise as necessary with all other Board committees, particularly the Nomination Committee in respect of DEI.

### Sustainability Forum and DE&I Forum

- 9.3. The Committee has authority delegated from the Board to:
- (a) provide oversight of the Sustainability Forum and (liaising as necessary with the Nomination Committee) DEI Forum, including receiving updates/minutes of meetings (and any other information that it may request from time to time); and
  - (b) sub-delegate any matter it sees fit to the ESG Working Group, Sustainability Forum, and DEI Forum.
- 9.4. For information purposes, the Committee will receive reports from the Sustainability Forum and DEI Forum and ESG Working Group.

### Delegation of authority

#### Sustainability Forum

- 9.5. The Committee delegates authority to the Sustainability Forum to:

- (a) identify and communicate our business reasons for developing a responsible and sustainable business plan and promote Peel Hunt as a responsible business internally and externally;
  - (b) Continue to develop and enhance the Carbon Neutrality & Net Zero project (including establishment of targets, offsetting requirements, assessment of REGOs, reporting etc.) into a business-as-usual process;
  - (c) develop and maintain our carbon reduction plan;
  - (d) manage any responsible business fund or budget;
  - (e) lead implementation of our responsible business activities; and
  - (f) capture key activities for impact reporting and evaluation.
- 9.6. The Chair of the Sustainability Forum (or other such person nominated by them from time to time) will be responsible for reporting and escalating material business or matters of significance to the Committee, including identifying any matters within its duties and responsibilities in respect of which it considers that action or improvement is needed, and, where possible, making recommendations as to the steps to be taken.

#### Diversity, Equity and Inclusion Forum

- 9.7. The Committee delegates authority to the DEI Forum to:
- (a) improve Peel Hunt's attitudes to diversity, well-being, and corporate social responsibility ("CSR") through responding to trends raised through annual staff surveys, and monitor, improve and enhance our policies and procedures with DEI in mind; and
  - (b) identify our areas of focus and plan CSR activities based on this;
  - (c) promote new DEI initiatives, ensuring that these are aligned with the Company's culture.
- 9.8. The Chair of the DEI Forum (or other such person nominated by them from time to time) will be responsible for reporting and escalating material business or matters of significance to the Committee, including identifying any matters within its duties and responsibilities in respect of which it considers that action or improvement is needed, and, where possible, making recommendations as to the steps to be taken.

## **10. REPORTING RESPONSIBILITIES**

- 10.1. The Committee Chair shall report to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **11. OTHER MATTERS**

11.1. The Committee shall:

- (a) have access to sufficient resources to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) 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;
- (c) give due consideration to all applicable laws and regulations including the Companies (Guernsey) Law 2008, the provisions of the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), the London Stock Exchange AIM Rules for Companies, the Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation and any other applicable rules and guidance, as appropriate;
- (d) oversee any investigation of activities which are within its terms of reference;
- (e) work and liaise as necessary with all other Board committees; and
- (f) arrange for periodic evaluation of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## 12. AUTHORITY

12.1. The Committee is authorised to:

- (a) seek any information it requires from any employee of the Company or Group and from any sub-contractor, consultant, or other provider of services to perform its duties;
- (b) obtain, at the Company's expense, independent legal, accounting, or other professional advice on any matter it believes it necessary to do so;
- (c) call any employee to be questioned at a meeting of the Committee as and when required;
- (d) delegate any matter or matters to another committee or person(s) as it deems appropriate; and
- (e) perform any other functions as requested by the Board.