



CAPITAL

SUSTAINABILITY COMMITTEE CHARTER

1. PURPOSE OF THE COMMITTEE CHARTER

- 1.1 The Sustainability Committee Charter (the Committee Charter) sets out the role, composition and responsibilities of the Sustainability Committee (the Committee) of the Board of Directors (the Board) of Capital Limited (the Company) within the governance structure of the Company and its subsidiaries (the Group).
- 1.2 The conduct of the Committee is also governed by the Company's Code of Conduct Policy (contained in the Company's Board Committee Charter) and the By-Laws of the Company (the Constitution).
- 1.3 The Committee is a voluntary committee comprising members of the Board and management of the Company.
- 1.4 The Committee's primary functions as set out in this Committee Charter are to assist the Board in developing and make recommendations in connection with its strategy, standards, processes and approach to environmental, social and governance matters that could affect the business activities, assets, performance and reputation of the Company (collectively, "ESG") and for the Company's ongoing sustainable development.
- 1.5 The Committee Charter has been updated to take account of the UK Corporate Governance Code (the Code) published in July 2018 and the Guidance on Board Effectiveness issued by the Financial Reporting Council. This Committee Charter was adopted by the Board on 6 December 2021.

2. MEMBERSHIP, TERM AND VOTING

- 2.1 The members of the Committee shall be appointed by the Board from amongst the Directors and Senior Executives of the Company and shall consist of not fewer than three members, including a minimum of one Independent Non-Executive Director as per the requirements contained within Article 2.3 of the Company's Board Charter.
- 2.2 A quorum shall be two members with at least one Director who is a member of the Committee.
- 2.3 Where possible, the Chair of the Committee shall be an Independent Non-Executive Director appointed by the Board.
- 2.4 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.
- 2.5 For Directors, the duties and responsibilities of a member of this Committee shall be in addition to those duties set out for the Board.
- 2.6 Appointment to the Committee shall be for a period of three years or such lesser period approved by the Board, with Committee members generally being eligible for re-appointment for so long as they remain eligible under section 2.1 above. The effect of

ceasing to be a Director of the Board or Employee of the Company is the automatic termination of appointment as a member of the Committee.

- 2.7 Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting, and any such decision shall for all purposes be deemed a decision of the Committee.
- 2.8 In the case of equality votes, the Chair of the Meeting, in addition to a member vote, will have a casting vote.

3. SECRETARY AND MINUTES

- 3.1 The secretary of the Committee will be the Company Secretary and written minutes of each meeting will be maintained by the Company Secretary. The minutes of the Committee meetings shall be made available to all members of the Committee and the Board, unless it would not be appropriate to do so, in the opinion of the Committee Chair. The Company Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues tabled for discussion.
- 3.2 For the avoidance of doubt, the Company Secretary shall not be entitled to vote or be counted in the quorum in respect of any resolution of the Committee.

4. ATTENDANCE AND FREQUENCY OF MEETINGS

- 4.1 Meetings of the Committee shall be called by the Company Secretary, at the request of the Committee Chair. The Chair of the Company may also request a meeting of the Committee if considered necessary.
- 4.2 Unless otherwise agreed, notice of the meeting will be sent to all members of the Committee no later than five working days before the date of the meeting.
- 4.3 The Company Secretary shall prepare an agenda for each meeting, to be agreed by the Chair in advance of distribution to the members.
- 4.4 Meetings shall be held when requested, but in any event shall be held not less than twice per calendar year.

5. AUTHORITY AND RESOURCES

- 5.1 The Committee shall receive the minutes of the Health, Safety, Social and Environmental Committee (the HSSE Committee) meetings where appropriate.
- 5.2 The Committee is authorised by the Board to investigate any matter within its terms of reference and to make recommendations to the Board on any such matter. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any reasonable requests made by the Committee.

- 5.3 The Committee is authorised by the Board to obtain, at the Company's expense, outside professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. It is envisaged that in obtaining outside advice the Committee will act in conjunction with the Chair and/or CEO of the Company.
- 5.4 The Committee shall have access to sufficient resources in order to carry out its duties, including legal or other professional advice on any matters within its terms of reference, including the assistance of the Company Secretary to fulfil its duties.
- 5.5 The Committee shall 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.

6. DUTIES

- 6.1 Acknowledging the duties of the HSSE Committee, the duties of this Committee include:
- i. reviewing and monitoring the ESG policies, standards, relevant systems, strategies and initiatives, and activities of the Company in order to ensure compliance with applicable legal and regulatory requirements;
 - ii. reviewing monthly, quarterly and annual sustainability and environmental reports;
 - iii. regularly reviewing any community and environmental responses to compliance issues and incidents to determine, on behalf of the Board, that the Company is taking all necessary action in respect of those matters and that the Company has been duly diligent in carrying out its responsibilities and activities in that regard;
 - iv. providing assistance and support to management in developing both near term and long-term policies and standards to ensure that the principles set out in the ESG and sustainability policies are measurable and achievable;
 - v. ensuring that risks and impacts across the principal areas of environmental / climate, social / communities and governance are identified, monitored and reported on and that sufficient resources are allocated to each to address these and establish mitigations where possible;
 - vi. ensuring that the Company monitors trends and reviews current and emerging issues in the field of ESG and evaluates their impact on the Company to include emissions statistics, workforce statistics and other leading indicators;
 - vii. ensuring that the Company's directors are kept advised of their duties and responsibilities related to the scope of this Committee;
 - viii. making periodic visits to operational locations in order to become familiar with the nature of the operations, and to review relevant objectives, procedures and performance with respect to the key themes of sustainability, environment, social and governance;

- ix. where appropriate, investigating, or causing to be investigated, any significant negative performance across sustainability, environment, social or governance;
 - x. reviewing and making recommendations to the Board with respect to ESG aspects of acquisitions and disposals with material implications;
 - xi. providing oversight and guidance with respect to managing relationships with local governments and communities;
 - xii. exercising such other powers and performing such other duties and responsibilities within the scope of this Committee Charter and as may from time to time be delegated to the Committee by the Board; and
 - xiii. engage with shareholders and other stakeholders of the Company (including customers and clients), as necessary, in respect of ESG issues.
- 6.2 The Committee shall support the Audit Committee regarding the Company's activities to ensure the Company is compliant with the Listing, Prospectus, Disclosure and Transparency Rules set out by the Financial Conduct Authority in addition to corporate governance guidelines in respect to the Company's listing on the London Stock Exchange;
- 6.3 The Committee shall assist and support the HSSE Committee as deemed appropriate by the Board.
- 6.4 The Committee shall oversee the Company's activities that may impact on the Company's business operations or public image, in light of political and social trends or public policy issues.
- 6.5 In addition to the foregoing the Committee shall have such other powers, duties and responsibilities as may be conferred on it from time to time by the Board.

7. REPORTING

- 7.1 The Committee Chair shall report to the Board on its proceedings following each meeting, making whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.2 The Committee will review and recommend to the Board the approval of the sustainability section within the Annual Report and/or the annual Sustainability Report and make recommendations on specific actions or decisions the Board should consider in order to improve reporting and maintain the highest integrity.
- 7.3 The Committee will prepare and adopt an annual report on its activities for incorporation in the Company's annual report to shareholders.

8. EVALUATION

8.1 The Committee will arrange for reviews of its performance periodically and, at least annually, will review its constitution and terms of reference to ensure it continues to operate at maximum effectiveness and recommend any changes it considers necessary for approval by the Board.

9. REVIEW OF COMMITTEE CHARTER

9.1 The Board will review this Committee Charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

10. AMENDMENT OF COMMITTEE CHARTER

10.1 This Committee Charter has been adopted by the Board. Any amendment to this Committee Charter can only be approved by the Board.

10.2 The Company Secretary in conjunction with the General Counsel is responsible for reviewing this Committee Charter on an annual basis to ensure its continued compliance with legal and corporate governance requirements applicable to companies listed on any stock exchange on which the Company is listed and, if necessary, suggesting amendments to the Committee Charter for consideration by the Board.

11. PUBLICATION OF COMMITTEE CHARTER

11.1 Key provisions of this Committee Charter are to be outlined in the Annual Report.

11.2 A copy of this Committee Charter has been made available on the Company's website in the Corporate Governance section.