

# TI FLUID SYSTEMS PLC

## ESG STEERING COMMITTEE TERMS OF REFERENCE

### 1. DEFINITIONS AND INTERPRETATION

1.1 In these terms of reference, unless the context otherwise requires:

“**AGM**” means the annual general meeting of the shareholders of the Company;

“**Board**” means the board of directors of the Company;

“**Board Chair**” means the Chair of the Board;

“**Chief Executive Officer**” or “**CEO**” means the chief executive officer of the Company from time to time;

“**Chief Financial Officer**” or “**CFO**” means the chief financial officer of the Company from time to time;

“**Committee**” means the audit and risk committee of the Company;

“**Committee Chair**” means the chair of the Committee;

“**Company**” means TI Fluid Systems plc;

“**Director**” means a member of the Board;

“**Group**” means the Company and its subsidiaries;

“**Remuneration Committee**” means the remuneration committee of the Company; and

“**Secretary**” means the secretary of the Committee.

### 2. CONSTITUTION

The Committee was established by a resolution passed by the Board on [9 March 2021] and is to be known as the ESG Steering Committee.

### 3. MEMBERSHIP

3.1 The Board shall appoint the members of the Committee, including the Committee Chair.

3.2 The Committee shall be made up of at least three (3) members, with at least three (3) being Directors (one being a non-executive Director, one being the CEO and one being the CFO). The majority of the Committee members shall at all times be Directors.

3.3 Only members of the Committee have the right to attend Committee meetings. However, other non-members such as the Board Chair, other Directors, the Company’s heads of EHS, HR, Legal, Ethics & Compliance and other functional areas as well as external professional advisers, may be invited to attend all or part of any meeting as and when appropriate and necessary.

- 3.4 In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair any of the Committee's meetings.

#### **4. SECRETARY**

The Chief Legal Officer of the Company or his or her nominee shall act as the 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.

#### **5. QUORUM**

The quorum necessary for the transaction of business by the Committee shall be two members. 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.

#### **6. FREQUENCY OF MEETINGS**

- 6.1 The Committee shall meet regularly and at least two times a year where appropriate and at such other times as required by the Committee Chair. The Committee Chair or a majority of the members of the Committee may call a special meeting of the Committee at any time.
- 6.2 Members of the Committee and other attendees may attend meetings by telephone, videoconference or any other method of communication.
- 6.3 Outside the formal meetings of the Committee, the Committee Chair and, to a lesser extent, the other Committee members, will maintain a dialogue with key individuals involved in the Company's ESG activities.

#### **7. NOTICE OF MEETINGS**

- 7.1 Meetings of the Committee shall be convened by the Secretary at the request of any of the Committee Chair.
- 7.2 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 by the Secretary to each member of the Committee and any other person required to attend, no later than five 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.
- 7.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

#### **8. MINUTES OF MEETINGS**

- 8.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 8.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, minutes should be circulated to all other members of the Board, unless the Committee Chair considers it inappropriate to do so.
- 8.3 Final signed copies of the minutes of the meetings of the Committee should be maintained for the Company's records, in hard and soft copy where possible.

## **9. ANNUAL GENERAL MEETING**

The Committee Chair shall attend the AGM prepared to respond to any shareholder questions on the Committee's activities.

## **10. DUTIES**

The Committee is constituted by the Board to:

- 10.1 Recommend the overarching Environmental, Social and Governance (ESG) vision and strategy road map to the Board in order to ensure that ESG priorities are anchored at the top of the Group;
- 10.2 Ensure ESG priorities are an integral part of the Group's overall corporate strategy and that ESG is a standing agenda item for the Group's executive committee strategy sessions;
- 10.3 Solicit and understand the views of stakeholder groups, including employees, investors, suppliers, customers, lenders and local communities on ESG matters to inform the Group's long-term strategic decisions;
- 10.4 Identify the relevant ESG priorities that most significantly impact the Group and its stakeholders, its reputation and public interest role;
- 10.5 Assist the Board in defining and executing the Group's strategy and, in so doing, agree the annual plan and targets for ESG matters;
- 10.6 Ensure development of, and regular updates to, a suitable transformation map and dashboard that measures progress on the annual targets (informed and aligned to the Remuneration Committee target and incentive arrangements);
- 10.7 Review the Group's performance against the Group's long-term ESG goals, targets (including KPIs), initiatives and commitments;
- 10.8 Guide the Group's ESG communication strategy;
- 10.9 Ensure that ESG priorities are reflected in the Group's culture through its purpose, vision, values and behaviours, as well as the Group's Code of Business Conduct;
- 10.10 Ensure that adequate resources are made available and training provided in order to support the ESG strategy and its required behavioural needs;
- 10.11 Ensure that ESG risks and opportunities are identified and managed in line with the Group's risk appetite;
- 10.12 Be informed of content and effectiveness of policies, programmes, practices, initiatives of the Group relating to ESG matters;
- 10.13 Report on these matters to the Board and, where appropriate, make recommendations to the Board; and
- 10.14 Report, as required, to shareholders and other stakeholders on the Group's ESG strategy and the remit, considerations, activities, and achievements of the Committee.

## **11. REPORTING RESPONSIBILITIES**

- 11.1 The Committee Chair shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Committee shall compile a report on its activities to be included in the Company's annual report to shareholders. The report should include at least all of the information requirements set out in the latest Corporate Governance Code and any other relevant legal and regulatory reporting requirements.

## **12. OTHER MATTERS**

- 12.1 The Committee shall:
- (a) have access to sufficient resources in order to carry out its duties including access to the Company secretary 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 laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Market Abuse Regulation, the Financial Conduct Authority's Listing Rules, Prospectus Rules, and Disclosure Guidance and Transparency Rules, and any other applicable rules, as appropriate;
  - (d) work and liaise as necessary with all other Board committees; and
  - (e) 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. AUTHORITY**

The Committee is authorised to:

- (a) seek any information it requires from any employee of the Group in order to perform its duties;
- (b) obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes is necessary to do so, and determine compensation for such advisors; and
- (c) determine appropriate funding needs for its own ordinary administrative expenses that are necessary and appropriate to carrying out its duties.