

Nostrum Oil & Gas plc
(the “Company”)

Terms of Reference of the Nomination and Governance Committee
(the “Committee”)

(Approved at a meeting of the directors dated 26 April 2023)

1. Introduction

1.1 These terms of reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee and the authority delegated to it by the board of directors of the Company (the “**Board**”) in relation to Board appointments, succession planning and corporate governance.

1.2 These terms of reference are intended to comply with the UK Corporate Governance Code (the “**Code**”), which provides that *“there should be a formal, rigorous and transparent procedure for the appointment of new directors to the board”* and that *“there should be a nomination committee which should lead the process for board appointments and make recommendations to the board”*.

1.3 Should members of the Committee need or want to consult the Code, copies can be obtained from the Company Secretary.

2. Terms of Reference to be made available

2.1 The Committee shall make available these terms of reference, explaining its role and the authority delegated to it by the Board.

2.2 The requirement to make this information available may be met by making such information available on request and/or including the terms of reference and such explanation on the Company’s website.

3. Membership

3.1 Members of the Committee shall be appointed by the Board, on the recommendation of the nomination committee of the Company in consultation with the chair of the Committee (the “**Committee Chair**”).

3.2 The Committee shall comprise at least three members, the majority of whom shall be Independent Non-Executive Directors and one of whom shall be the Warrant Director (as and when appointed from time to time in accordance with the terms of the Group’s senior unsecured notes due 30 June 2026, and failing which an alternative Independent Non-Executive Director).

3.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the head of human resources and external advisers may be invited to attend all or part of any meeting, as and when appropriate.

3.4 In deciding the identity of the chair and membership of the Committee, the value of ensuring that Committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account.

3.5 All appointments to the Committee shall be for a period of three years, which may be extended.

3.6 If any member of the Committee is unable to act for any reason, the Committee Chair (or in his absence the Board) may appoint any other Independent Non-Executive Director of the Company to act as his alternate.

4. Committee Chair

4.1 The Board shall appoint the Committee Chair who should be an Independent Non-Executive Director.

4.2 If the Chair of the Board is appointed the Committee Chair, he/she shall not chair the Committee when it is dealing with the matter of succession to the chair of the Board.

4.3 In the absence of the Committee Chair, or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

5. Quorum

5.1 The quorum necessary for the transaction of business shall be two members present in person or by audio or video conference, both of whom must be Independent Non-Executive Directors. In the event of difficulty in relation to achievement of a quorum, Independent Non-executive Directors who are not members of the Committee may be co-opted as members for individual meetings.

5.2 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.

5.3 All reasonable efforts shall be made to give notice of meetings of the Committee to all members and invitees and to arrange such meetings so that all members and invitees are able to attend.

5.4 No member of the Committee shall attend or form part of the quorum in relation to any appointment in which he/she has a personal interest.

6. Secretary

The Company Secretary or his nominee shall act as the Secretary of the Committee and shall attend all of its meetings and shall prepare and circulate to members and all other Non-Executive Directors (and invitees as appropriate) all information and papers in a timely manner to enable them to give full and proper consideration to the issues.

7. Frequency of Meetings

The Committee shall meet as frequently as the Committee Chair shall require and, in any event, not less than twice in each financial year. Any member of the Committee may request a meeting if he/she considers that one is necessary or expedient.

8. Notice of Meetings

8.1 Meetings of the Committee shall be convened by the Company Secretary at the request of the Committee Chair or any member of the Committee.

8.2 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, any other person required to attend and all other Non-Executive Directors, no later than five working days before the date of the meeting to enable full and proper consideration. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

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

9. Minutes of Meetings

9.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

9.2 The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

9.3 The Secretary of the Committee shall promptly circulate draft minutes of Committee meetings to the Committee Chair for review and subsequently to all members of the Committee and the Chair of the Board (taking into account any conflicts of interest which may exist).

9.4 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.

10. Voting Arrangements

10.1 Each member of the Committee shall have one vote which may be cast on matters considered at Committee meetings. Votes can only be cast by members attending a Committee meeting (whether in person or by audio or video conference).

10.2 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

10.3 Except where he has a personal interest, the Committee Chair shall have a casting vote on all matters in the event of an equality of votes.

10.4 Any resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting.

11. Annual General Meeting

If requested to do so by the Chair of the Board the Committee Chair shall attend the Annual General Meeting (in person or by video or teleconference) and be prepared to respond to any shareholder questions on the Committee's activities.

12. Duties

12.1 The Committee members have the following specific duties as regards their membership of the Committee.

In general:

- (a) lead the process for Board appointments and make recommendations to the Board;
- (b) monitor and make recommendations to the Board on board governance and corporate governance issues, including the establishment of appropriate policies and practices to enable the Board to operate effectively and efficiently;
- (c) review regularly the structure, size and composition of the Board and its Committees, taking into account, amongst other things, the Company's current and future strategic priorities, results of the Board effectiveness review process, the total number of directors, the balance of Executive and Non-Executive Directors and the balance of Independent Non-Executive Directors, the need to ensure appropriate collective knowledge and experience, the length of service of directors, culture and diversity factors (including the skills mix, regional and industry experience, social and ethnic background and gender) and make recommendations to the Board with regard to any changes;
- (d) ensure that an annual review of the effectiveness of the Board, and each committee of the Board, and the contribution of each director is conducted every year, with an independent external review at least every three years;
- (e) keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- (f) review annually the time required from Non-Executive Directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties;

As regards appointments:

- (g) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise, having regard to the Company's obligations under the terms of the Group's senior unsecured notes due 30 June 2026;
- (h) before any appointment is made, evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- (i) evaluate the combination of skills, knowledge, experience, independence and diversity (including of gender, social and ethnic backgrounds and cognitive and personal strengths) on the Board and identify and review candidates from a wide range of backgrounds and recommend candidates on merit and against objective criteria, for potential appointment as directors. In identifying suitable candidates, the Committee may use the services of external recruitment search advisors and, where appropriate, external advertisements to facilitate the search;
- (j) consider that no individual should be appointed to a second chairmanship of a FTSE 100 company and a full time Executive Director should not take on more than one non-executive directorship in a FTSE 100 company nor the chairmanship of such a company;

- (k) periodically review and approve the Company's diversity and inclusion strategy, to ensure that it aligns with the Company's strategic priorities and oversee that the spirit of the strategy is imbedded within the Company's culture;
- (l) ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- (m) review the results of the Board performance evaluation process that relate to the composition of the Board
- (n) monitor whether satisfactory induction is provided for new Directors with respect to their Board and Board committee responsibilities and ensure that an appropriate ongoing training programme is in place for existing directors, in line with market practice;

As regards the appointment of the Chair of the Board:

- (o) for the appointment of Chair of the Board, prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises. A candidate's other significant commitments should be disclosed to the Board before appointment (and also included in the annual report). Any changes to the Chair's commitments should be reported to the Board as they arise;
- (p) ensure that the Chair does not remain in the post beyond nine years from the date of their first appointment to the Board. This period can be extended for a limited time to facilitate effective succession planning and the development of a diverse board, particularly where the Chair was an existing non-executive director on appointment;

As regards governance:

- (q) review and approve changes to the Board's governance guidelines, monitor the compliance with such guidelines and with applicable legal, regulatory and listing requirements and recommend to the Board such changes or additional action as it deems necessary;
- (r) review and require Directors to obtain approval from the Board before undertaking additional external appointments;
- (s) review the terms of office of Non-Executive Directors after three years, based on a review of the Director's performance and ability to continue to contribute to the board in the light of knowledge, skills and experience required;
- (t) ensure an annual performance evaluation of the effectiveness of the Board, and each Committee of the Board, and the contribution of each Director, with the results being reported to the Board; such evaluation to be externally facilitated at least once every three years. Periodically review progress against the action plan to address the results;
- (u) review at least annually the Board's policy on diversity and inclusion;
- (v) review and recommend to the Board for approval the Corporate Governance report for inclusion in the Annual Report;
- (w) have oversight of the subsidiary governance framework and regulatory control environment through periodic updates;
- (x) consider in light of governance best practice and developing consensus proposals on:

- (i) the role of the Board and its Committees;
- (ii) the corporate governance framework;
- (iii) delegation of authority and authority levels
- (iv) the role of Chair, Chief Executive Officer and Non-Executive Directors; and
- (v) reserved powers;

and to make recommendations to the Board about any changes;

As regards conflicts:

- (y) as requested from time to time by the Company Secretary or his nominee, consider all matters relating to Directors and conflicts of interests with the Company including, but not limited to, new potential or actual situations that may lead to a conflict and existing situations where circumstances may have changed or be about to change and make recommendations to the Board as to the authorisation the Board may or may not choose to give pursuant to section 175 of the Companies Act 2006;
- (z) conduct an annual review of the Conflicts of Interest Register and review any disclosure relating to conflicts of interest to be made public;
- (aa) make recommendations to the Board on the independence of Non-Executive Directors and the individual's ability to perform his or her duties independently without undue influence from other persons, the number of responsibilities and consequent call on the time of the individual concerned;
- (bb) to monitor, and require directors and proposed appointees to the Board to disclose, (i) any conflict, or possible conflict, with the interests of the Group and (ii) significant commitments, with an indication of the time involved; and

As regards disclosure:

- (cc) make available its terms of reference explaining clearly its role and the authority delegated to it by the Board.

12.2 The Committee shall also make recommendations to the Board concerning:

In general:

- (a) any area within its remit where action or improvement is needed;

As regards appointments:

- (b) the appointment of any Director to executive or other office;
- (c) suitable candidates for the role of Senior Independent Directors;

As regards audit and remuneration committee membership:

- (d) the membership of the Audit and Remuneration Committees, in consultation with their respective chair;

As regards succession planning:

- (e) regularly review Board succession over the medium term taking into consideration the future challenges affecting the business, in order to maintain an appropriate balance of skills and experience, to oversee the development of a diverse pipeline for succession and to ensure progressive refreshing of the Board and its Committees;
- (f) make recommendations to the Board if any changes to the succession planning process are needed if its periodic assessment indicates the desired outcomes have not been achieved;
- (g) ensure the development of a diverse pipeline for succession regularly review management proposals for the longer term succession to key senior leadership positions in the Company, giving full consideration to the challenges and opportunities facing the Company and the skills and expertise needed to support the development and implementation of the Company strategic priorities;

As regards re-appointments:

- (h) the re-appointment of any Non-Executive Director at the conclusion of his or her specified term of office, having due regard to their performance and ability to contribute to the Board in the light of the balance of knowledge, skills and experience required;
- (i) the continuation (or not) in service of any Director who has reached the age of 70;
- (j) the re-election by shareholders of any Director under the “retirement by rotation” provisions in the Company’s articles of association (if any), having due regard to their performance and ability to contribute to the Board in the light of the balance of knowledge, skills and experience required; and
- (k) any matters relating to the continuation in office as a Director of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company, subject to the provisions of law and their service contract.

13. Formal Reporting to the Board

13.1 Reports will be made to the Board following each meeting of the Committee by the Chair of that meeting. Reports should:

- (a) identify any external search agency used by the Company, and state whether it has any connection with the Company or individual directors;
- (b) if external advertising or advice has not been used, give reasons for this;
- (c) describe the Committee’s approach to succession and planning and how both support developing a diverse pipeline;
- (d) describe how the Board’s evaluation has been conducted, the nature and extent of any external evaluator’s contact with the Board and individual directors, the outcomes and actions taken, and how the process has influenced, or will influence, the composition of the Board;
- (e) describe the Board’s policy on diversity and inclusion (including related objectives and linkage to company strategy), how it has been implemented and the results in the reporting period; and
- (f) describe the gender balance of those in the senior management and their direct reports.

13.2 The Committee shall produce a report to be included in the Company’s Annual Report:

- (a) describing the work and activities of the Committee; and
- (b) describing the process used in relation to Board appointments, and providing an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a Chair or Non-Executive Director.

13.3 The report referred to in paragraph 13.2 above shall also include a description of:

- (a) the membership of the Committee, number of Committee meetings held and attendance of individual Directors over the course of the year;
- (b) how annual performance evaluation of the Board, its committees and individual Directors has been conducted; and
- (c) the information listed in paragraph 13.1 above.

14. Other Matters

14.1 The Committee shall:

- (a) have access to sufficient resources in order 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 ongoing basis for all members;
- (c) give due consideration to laws and regulations, including the general duties of Directors set out in the Companies Act 2006, the provisions of the Code, the UK Market Abuse Regulation and the requirements of the FCA's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;
- (d) 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 for approval;
- (e) make publicly available its terms of reference explaining clearly its role and the authority delegated to it by the Board; and
- (f) perform such further functions related or incidental to its remit as the Committee may agree to undertake at the Board's request.

15. Authority

15.1 The Committee is a committee of the Company to which it will report on a regular basis. The Committee is concerned with the business of the Group as a whole and its authority extends to all relevant matters relating to the Company and its material subsidiaries, providing support and advice to the Board to ensure that the Company and, where necessary, its significant subsidiaries have appropriate governance arrangements, providing oversight and making recommendations to the Board.

15.2 The Committee is authorised by the Board to

- (a) investigate any activity within its terms of reference;

- (b) seek any information it requires from any employee or Director of the Company, or any consultant or other provider of services to the Company in order to perform its duties. All employees, Directors, consultants and other service providers of services are directed to co-operate with requests for information made by the Committee including requests to attend meetings of the Committee;
- (c) obtain, at the Company's expense, outside legal or other independent professional advice on any matters within its terms of reference;
- (d) have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board; and
- (e) commission, at the Company's expense, any reports or surveys which it deems necessary to help it fulfil its obligations.

16. Ultimate Decisions

It is the job of the Committee to *“lead the process for board appointments and make recommendations to the board”*. The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations it deems appropriate on any area within its remit. All evaluations, reviews and decisions of the Committee made in respect of appointments to the Board shall be referred to the Board and shall take effect only upon approval thereof by resolution of the Board in accordance with the Company's articles of association.