

**B.P. MARSH & PARTNERS PLC**

**TERMS OF REFERENCE FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE  
("ESG")  
COMMITTEE**

**B.P. MARSH & PARTNERS PLC AND ITS SUBSIDIARIES (THE “GROUP”)**

**ESG COMMITTEE**

(the “Committee”)

**Terms of reference**

**(Adopted by the Board on 2<sup>nd</sup> December 2021)**

**1. Membership**

- 1.1 The Committee shall comprise at least two directors. At least one of the members of the Committee shall be an independent non-executive director. The founding members shall be Mr. Topping, Mr. Carter and Ms. O’Haire.
- 1.2 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended, provided the director still meets the criteria for membership of the Committee.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chairman and Managing Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.4 The Board shall appoint the Committee Chair who should be an independent non-executive director. In the absence of the Committee Chair the remaining members present shall elect one of themselves to Chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

**2. Secretary**

The Company Secretary, or their nominee, shall act as the Secretary of the Committee 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. Quorum**

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

**4. Frequency of meetings**

The Committee shall meet at least two times a year and otherwise as required.

**5. Notice of meetings**

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of its members.
- 5.2 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. Minutes of meetings**

- 6.1 The Secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board.

## **7. Engagement with shareholders**

- 7.1 The Committee Chair, or in his/her absence, another agreed representative of the Committee, should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **8. Purpose**

The purpose of the ESG Committee is to assist the Board in:

- 8.1 Developing and reviewing the strategies, policies and performance of the Company in relation to environmental, social and governance matters and suggesting ways to drive improvement in these areas.
- 8.2 Ensuring the Company has an appropriate ESG Strategy (the 'Strategy') that is integrated with the core business strategy.
- 8.3 Ensuring the Strategy is embedded across the Group, continues to evolve and is aligned to the culture and values of the Company.
- 8.4 Setting short, medium and long term ESG targets and key performance indicators and reviewing reports on progress towards the achievement of such targets and indicators on a regular basis.

## **9. Duties**

The Committee should carry out the duties below for the Company, major subsidiary undertaking and the group as a whole, as appropriate. This will include:

- 9.1 oversee the development of and make recommendations to the Board regarding the Group's ESG strategy;
- 9.2 oversee the establishment of ESG policies and codes of practice and their effective implementation, and monitor and review their ongoing compliance, relevance, effectiveness, and further development;
- 9.3 identify the relevant ESG matters that do or are likely to affect the operation of the Company and/or its strategy;
- 9.4 make recommendations to the Board in relation to the required resourcing and funding of ESG-related activity and, on behalf of the Board, oversee the deployment and control of any resources and funds including charitable activities of the Company;
- 9.5 oversee the Company's engagement with its broader stakeholder community;
- 9.6 ensure that the Company provides appropriate information and is transparent regarding its ESG related policies with the investment community, particularly ethical/socially conscious investment funds, by whatever means are deemed to be most effective.

- 9.7 Overseeing the Company's disclosures of ESG matters in the Annual Report and Accounts and any other information to be provided to third parties including investors, proxy agencies and advisory bodies.

#### **10. Reporting responsibilities**

- 10.1 The Committee Chair shall report to the Board after each meeting on the nature and content of its discussion, recommendations and action to be taken.
- 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, and adequate time should be made available for Board discussion when necessary.
- 10.3 Where deemed appropriate, and in line with input from the Auditors, the Committee shall produce a report to be included in the Company's Annual Report describing the work of the ESG Committee.

#### **11. Other matters**

The Committee shall:

- 11.1 Have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for advice and assistance as required.
- 11.2 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.
- 11.3 Give due consideration to all relevant laws and regulations, the provisions of the Code and associated guidance, the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate.
- 11.4 Ensure that a periodic evaluation of the Committee's own performance is carried out.
- 11.5 At least annually, review the Committee's 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.

#### **12. Authority**

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference, to a maximum of £2,000 per annum.