

DATED 19 SEPTEMBER 2023

AUCTION TECHNOLOGY GROUP PLC  
SUSTAINABILITY AND ESG COMMITTEE – TERMS OF REFERENCE

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**AUCTION TECHNOLOGY GROUP PLC**

**(THE "COMPANY")**

**SUSTAINABILITY AND ESG COMMITTEE – TERMS OF REFERENCE**

1. CONSTITUTION

- 1.1 The board of directors of the Company (the "Board") has established a committee of the board known as the Sustainability and ESG Committee (the "Committee").
- 1.2 The meetings and proceedings of the Committee are governed by these Terms of Reference (TOR) which were adopted by the Board on 7 July 2022 and updated on 19 September 2023.

2. MEMBERSHIP

- 2.1 The members of the Committee for the time being shall be:

Chief Operating Officer (Chair)  
Chief Finance Officer  
Chief People Officer  
Group Financial Controller  
Head of Risk and Internal Audit  
Director of Investor Relations  
Non-Executive Director

- 2.2 The Committee shall consist of a minimum of three members appointed by the Board in consultation with the Chair of the Committee.
- 2.3 The Chair of the Committee, shall be appointed by the Board, which shall determine the period for which he/she/they shall hold office. In the absence of the Chair of the Committee and/or an appointed deputy, 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. The Chair of the Board shall not be a member of the Committee.
- 2.4 Appointments to the Committee shall be for a period for up to three years, which may be extended for up to two additional three-year periods. Members of the Committee may attend meetings of the Committee in person or through the medium of conference telephone or similar form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. The Committee may take decisions without a meeting by unanimous written consent, when deemed necessary or desirable by the Chair of the Committee.
- 2.5 Only members of the Committee have the right to attend Committee meetings. However, others, such as expert external advisers may be invited to attend meetings of the Committee on a regular basis and other individuals may be invited to attend all or part of any meeting as and when appropriate and necessary.

3. SECRETARY

- 3.1 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 the issues.

4. QUORUM

- 4.1 The quorum for decisions of the Committee shall be any three 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.

#### 5. FREQUENCY OF MEETINGS

- 5.1 The Committee shall meet at least twice annually and at such other times as the Chair of the Committee shall require.
- 5.2 Outside of the formal meeting programmes, the Chair of the Committee will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chair, the Chief Executive, the Chief Financial Officer (as well as any other relevant individuals as needed).

#### 6. NOTICE OF MEETINGS

- 6.1 Meetings shall be called by the Secretary of the Committee at the request of the Committee chair or any member of the Committee.
- 6.2 At least five working days' notice of any meeting of the Committee shall be given, although such notice period may be waived or shortened with the consent in writing of all the members of the Committee for the time being. Notice of the meeting shall confirm the venue, time and date, together with an agenda of items to be discussed. Notice shall be sent to each member of the Committee, any other person required to attend and all other non-executive directors. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time. Notices, agendas and supporting papers may be sent by electronic means if the recipient has agreed to receive them electronically.

#### 7. MINUTES OF MEETINGS

- 7.1 The Secretary shall minute the proceedings and discussions of all meetings of the Committee, including recording the names of those present and in attendance and any conflicts of interest.
- 7.2 The draft minutes of the meetings of the Committee shall be agreed with the Chair of the Committee and then circulated to all members of the Committee and, once approved, to the Board and the Company Secretary unless a conflict of interest exists or, exceptionally, it would be inappropriate to do so in the opinion of the Chair of the Committee.

#### 8. ENGAGEMENT WITH SHAREHOLDERS

A member of the Committee shall attend, in person or by video, the Company's Annual General Meeting prepared to respond to any shareholder questions on the Committee and its activities and achievements.

In addition, the Chair of the Committee should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility, as appropriate.

#### 9. DUTIES

The Committee should have oversight of the Group as a whole and, unless required otherwise by regulation, carry out the duties below for the Company and its subsidiary undertakings and the Group as a whole, as appropriate. The duties of the Committee shall be to:

- 9.1 support the implementation of the recommendations of the Taskforce for Climate Related Financial Disclosures ("TCFD") in Company disclosures and corporate reporting, including:

- 9.1.1 Ensuring compliance with TCFD
  - (i) The Committee shall ensure compliance with TCFD, overseeing the implementation of the recommendations of the TCFD and engaging external experts as needed to assist.
  - (ii) The Committee shall review progress against metrics and targets set as a requirement of TCFD.
- 9.1.2 Reviewing climate-related risks and opportunities
  - (i) The Committee shall monitor and identify emerging climate-related risks and opportunities, reviewing risks and opportunities under different climate scenarios, adding these to scenario analysis documentation. This will support the ongoing assessment of financial climate-related risks and opportunities in the Company and associated plans for the transition to sustainability.
  - (ii) The Committee will work with representatives / management from the whole Company and stakeholders to ensure relevant climate-related risks and opportunities are identified (i.e., through workshops and meetings to discuss climate-related risks and opportunities) and integrated into routine risk management processes.
  - (iii) Training opportunities (e.g., through presentations by external experts, NGOs, academics, trade associations etc.) will be provided as deemed necessary to improve the understanding of climate-related issues and support the development of such expertise across the Company (including the Board).
- 9.1.3 Reviewing any incidents, concerns and material planned for public disclosure
- 9.1.4 Reporting to the Audit Committee
  - (i) The Committee shall report findings to the Audit Committee at least annually, the Audit Committee will then report risks to the Board as per the Audit Committee's TOR, providing the Board with oversight of climate-related risks and opportunities.
  - (ii) The Committee will work closely with the Audit Committee to ensure climate related risks are incorporated into organisational risk management, strategy and financial planning. The Audit Committee will also provide relevant input into the Sustainability and ESG Committee.
- 9.2 develop a centralised framework for how corporate responsibility is governed across the Group. The breadth of this governance spans aspects of acting and doing business in a responsible manner, including in relation to environmental, social and governance ("ESG") matters, including:
  - 9.2.1 delegating authority to the ESG Working Committee where appropriate and receiving reports and minutes from the ESG Working Committee on a regular basis;
  - 9.2.2 reviewing the Group's sustainability strategy and progress against, to ensure alignment with its commitments, values, prevailing regulations and best practice;
  - 9.2.3 identify and analyse future external developments and scenarios, in relation to ESG, which are likely to have a significant influence on the Group's ability to operate in a responsible manner, upholding the Company's reputation and/or its ability to conduct its business appropriately, which is in the long-term interest of stakeholders;
  - 9.2.4 keep under review the extent and effectiveness of the Company's external reporting of corporate responsibility, and its participation in relevant external benchmarking indices.
- 9.3 review the remit of the Committee, strategy and policy annually (and if necessary)

expanding the remit of the Committee to cover further climate-related, environmental and nature related risks and opportunities, as well as broader sustainability and corporate responsibility topics as required in the future. The Committee will be responsible for updating Committee terms of reference if the remit is expanded, this will include reviewing any applicable Group policies.

## 10. REPORTING RESPONSIBILITIES

10.1 The Committee will review and approve the Sustainability Report for inclusion in the Company's Annual Report.

As per 9.1.4, the Committee shall report to the Audit Committee and the Board after each meeting on all matters within its duties and responsibilities, including on the nature and content of discussion, recommendations, decisions made and actions to be taken. Adequate time should be made available for discussion when necessary.

10.2 A Committee member shall provide feedback directly to the Board at the Board meeting following each Committee meeting.

10.3 The minutes of all Committee meetings shall be included in the agenda of the Board meeting following each Committee meeting.

## 11. OTHER MATTERS

11.1 The Committee shall:

11.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for advice and assistance as required;

11.1.2 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;

11.1.3 give due consideration to applicable laws and regulations, such as Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, the provisions of the UK Corporate Governance Code and the requirements of the FCA's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;

11.1.4 be responsible for the oversight of the co-ordination of the internal and external advisors;

11.1.5 oversee any investigation of activities which are within its terms of reference; and

11.1.6 work and liaise, as necessary, with all other Board committees, ensuring interaction between committees and with the Board is reviewed regularly, taking particular account of the impact of risk management and internal controls being delegated to different committees.

11.2 The Committee is authorised:

11.2.1 to investigate any activity within its terms of reference and seek directly any information it requires from any employee or contractor of the Company (all such persons being directed to co-operate with any such request by the Committee);

11.2.2 to obtain, at the Company's expense, outside legal or other independent professional advice at the cost of the Company to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary

(but such persons shall not be members of the Committee);

- 11.2.3 to call any employee to be questioned at a meeting of the Committee as and when required; and
- 11.2.4 to publish in the Company's Annual Report details of any issues that cannot be resolved between the Committee and the Board. If the Board has not accepted the Committee's recommendation on the external auditor appointment, reappointment or removal, the annual report should include a statement explaining the Committee's recommendation and the reasons why the Board has taken a different position.
- 11.3 The Committee shall conduct an annual review of its work, constitution, performance and these terms of reference to ensure it is operating at maximum effectiveness and shall make recommendations for any changes to the Board.
- 11.4 The Chair of the Committee shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
- 11.5 The Committee shall make available its terms of reference on the Company's website explaining clearly its role and authority delegated to it by the Board.
- 11.6 References in these terms of reference to the "Group" mean the Company, its subsidiaries and any subsidiary undertakings.

Approved by the Board on 19 September 2023.