STRATEGIC EQUITY CAPITAL PLC

Terms of Reference for the Disclosure Committee

Objective

These terms of reference seek to assist the Disclosure Committee in:

1 Identifying inside information when it arises;

2 Understanding the Company's disclosure obligations in respect of such inside information; and

3 Understanding the record-keeping and notification obligations of the Company in respect of inside information.

The obligations on the Company relating to the disclosure and control of its inside information are set out in the EU Market Abuse Regulation (Regulation 596/2014) ("**MAR**") together with its associated implementing regulations and guidance. The FCA's Disclosure Guidance ("**DG**") provides further assistance in respect of interpretation of the applicable rules.

Members of the Disclosure Committee

William Barlow (Chair)
Annie Coleman
Richard Locke
Brigid Sutcliffe
Howard Williams

Quorum and proceedings

The quorum necessary for the transaction of business shall be any two members of the Disclosure Committee. A duly convened meeting of the Disclosure 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 Disclosure Committee. Meetings of the Disclosure Committee may be called on short or immediate notice. The Company Secretary shall act as secretary to the Disclosure Committee. In the absence of the Chairman of the Disclosure Committee, the remaining members present shall elect one of themselves to chair the meeting of the Disclosure Committee.

General

In the event that any member of the Disclosure Committee is aware that he or she is, or may be, in possession of inside information or is approached with a potential development which may constitute inside information, such member shall contact the Company Secretary who should make a log of the potential inside information and convene a meeting with the other members of the Disclosure Committee as soon as possible.

In the event that information is deemed by the Disclosure Committee to be inside information or potentially be inside information, a member of the Disclosure Committee or the Company Secretary shall contact the Company's corporate broker without delay to discuss the implications of and to run through MAR as it relates to the facts of the case.

If the information is deemed to be inside information under MAR the Disclosure Committee in conjunction with the Company's corporate broker and, where necessary, legal advisers will assess whether or not the Company is able to delay disclosure.

Once the information is deemed to be inside information:

- The Company Secretary will keep a detailed log of insiders as prescribed by MAR (Insider List).
- A note will be kept by the Company Secretary setting out why the Company delayed disclosure (to the extent disclosure was delayed).
- The Company Secretary will notify the FCA when the inside information is announced providing a brief summary around the circumstances.
- To the extent the inside information relates to external events consideration must be given to the use of confidentiality agreements to minimise the likelihood of leaks.
- The Disclosure Committee, in conjunction with the Company Secretary, will consider on a case by case basis when to add persons to the Insider List.

It is emphasised that record keeping of all of the above (in particular the decision and reasons behind delayed disclosure) is important and the FCA has provided prescribed forms for Insider Lists.

Updated 8 November 2023

Appendix: MAR obligations

1 Disclosure of information to the market

1.1 One of the most important continuing obligations on the Company regarding disclosure and control of inside information **is the requirement to ensure timely and accurate disclosure of inside information to the market** (Article 17(1) MAR). The requirements in this area are key to ensuring transparent and effective markets and preventing market abuse.

1.2 Information must be released by the Company to the market via a Regulatory Information Service ("**RIS**"), in accordance with the implementing standards prescribed by Article 17(1) MAR. The FCA has approved a number of RIS providers for the purposes of the rules, a list of which is available on the FCA website. The Company must ensure that it has arrangements in place with one of these providers to ensure that it can comply with its disclosure requirements.

1.3 The Company should take all reasonable care to ensure that any information it notifies to an RIS is not misleading, false or deceptive and does not omit anything likely to affect the import of the information. **In deciding whether an announcement is accurate and not misleading, the Disclosure Committee should ensure it seeks appropriate advice from advisers, particularly the Company's corporate broker and legal advisers**. The Company might consider that verification of an announcement to be released to an RIS should be undertaken in order to ensure all statements of fact are not misleading, false or deceptive.

2 The disclosure and control of inside information (Articles 17-18 MAR)

Disclosure of inside information

2.1 As noted above, the primary disclosure obligation in Article 17 of MAR is that **the Company must notify an RIS as soon as possible of any inside information which directly concerns the Company** (Article 17(1) of MAR). This is subject to some exceptions in Article 17(4) and (5) of MAR relating to delayed disclosure and selective disclosure which are set out below.

2.2 "Inside information" (with respect to listed securities and other financial instruments) is information of a precise nature which:

"(a) has not been made public,

(b) relates, directly or indirectly, to one or more issuers or to one or more financial instruments, and

(c) would, if it were made public, be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments (and for these purposes information is deemed to be inside information if it is information that a reasonable investor would be likely to use as part of the basis of his or her investment decisions)."

(Article 7(1)(a) and 7(3)) of MAR).

2.3 Each element of the above test must be satisfied for the information to be inside information. One effect of MAR is to make clear that the "reasonable investor" test must always be

expressly considered in parallel with the "price sensitivity" test, as information that satisfies the reasonable investor test will be automatically deemed to be price-sensitive.

2.4 While the EU authorities have so far declined to provide any indicative list of examples of inside information relating to an issuer's securities, the FCA has previously indicated (under the pre-MAR regime) that examples of relevant information likely to affect a reasonable investor's decision include information relating to the assets and liabilities of the Company, its financial condition or performance, major new developments in the Company's business and information previously disclosed to the market.

2.5 Under MAR, information is "precise" if it:

"(a) indicates circumstances that exist or may reasonably be expected to come into existence or an event that has occurred or may reasonably be expected to occur; and

(b) is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances or that event on the price of financial instruments or related instruments (derivatives, etc.) (Article 7(2) of MAR)."

2.6 In the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information. An intermediate step in a protracted process shall be deemed to be inside information if, by itself, it satisfies the criteria of inside information (Article 7(3) of MAR).

The Company must bear in mind that, according to the FCA, there is no figure (percentage change or otherwise) that can be set when determining the price significance of the information, as this will vary from company to company.

2.7 To the extent any Director becomes aware of any information which might constitute inside information, he/she must inform his/her other fellow Directors of such information and the Disclosure Committee should consider what further steps to take including:

2.7.1 deciding whether information is inside information;

2.7.2 deciding whether the Company is entitled to delay announcement of the inside information;

2.7.3 approving announcements if required; and

2.7.4 deciding to take other action, if appropriate (for example, to seek a suspension from listing pending clarification of uncertainties).

It is important that the Disclosure Committee seeks advice where necessary without delay from the Company's external advisers, including the Company's corporate broker and legal advisers. In many cases it will be appropriate to obtain advice from external advisers. The FCA considers an issuer's failure to take timely advice from legal advisers and corporate brokers in relation to disclosure obligations to be an aggravating factor when assessing the level of financial penalty to impose on an issuer for breach of the

obligation to disclose inside information. Where advice is given by an external adviser, it should not be ignored.

2.8 Inside information must be published via an RIS as soon as possible. The FCA has indicated previously that this obligation in practice means "without delay". **MAR 17(1) also requires the Company to post on its website and maintain for at least five years all inside information which it is required to disclose via an RIS.**

Delaying Disclosure

2.9 Under Article 17(4) of MAR the Company may, under its own responsibility, delay the public disclosure of inside information, such as not to prejudice its legitimate interests, provided that:

"(a) immediate disclosure is likely to prejudice its legitimate interests;

(b) delay of disclosure would not be likely to mislead the public; and

(c) the issuer is able to ensure the confidentiality of that information."

If the Company intends to delay disclosure under Article 17(4) of MAR, it will need to ensure that it notifies the FCA of the delay.

The form of notification can be found at:

https://www.fca.org.uk/your-fca/documents/forms/delayed-disclosure-inside-information-notification-form

The Company must also record its assessment of the basis on which conditions (a) to (c) above are met (taking into account the ESMA guidelines below) and the evidence for the decision, and must provide this to the FCA if requested.

2.10 ESMA has issued guidelines setting out a non-exhaustive indicative list of the legitimate interests of issuers such as may justify delay in disclosure of inside information, and on situations in which such delay may mislead the public.

2.11 ESMA recommends that the non-exhaustive list of legitimate interests (potentially justifying delay) should include (in short) the following:

2.11.1 the issuer is conducting on-going negotiations the outcome of which would likely be jeopardised by public disclosure;

2.11.2 the financial viability of the issuer is in grave and imminent danger and immediate public disclosure would risk jeopardising recovery negotiations;

2.11.3 the issuer has a two-tier board structure and secondary (i.e. supervisory board) approval is required to give effect to the relevant decision;

2.11.4 the issuer has developed a product or an invention and the immediate public disclosure of that information is likely to jeopardise the issuer's intellectual property rights;

2.11.5 the issuer is planning a major acquisition or disposal, the disclosure of which would jeopardise the conclusion of the transaction; and/or

2.11.6 a transaction previously announced is subject to a public authority's approval, which is conditional upon additional requirements, the disclosure of which will likely affect the issuer's ability to meet the relevant conditions.

2.12 ESMA indicates that delaying disclosure of inside information is likely to mislead the public in circumstances in which the inside information intended for delay would (if disclosed) contradict earlier information or current market expectations, including, at a minimum, circumstances in which the information intended to be delayed:

2.12.1 is materially different from a previous public announcement of the issuer on the same matter;

2.12.2 concerns the fact that the issuer's financial objectives are likely not to be met, where such objectives were previously publicly announced; and/or

2.12.3 is in contrast with the market's expectations, where such expectations are based on signals that the issuer has previously set.

Selective disclosure

2.13 The ESMA guidance also sets out a non-exhaustive list of persons to whom it may be justifiable for the Company to make selective disclosure. This list includes major shareholders of the listed company, its lenders and credit-rating agencies. The Company should document the confidentiality restrictions or, if they are not reduced to writing, record the terms and (if appropriate) the nature of the obligations. However, if the confidentiality restrictions exist with an adviser with whom the Company has an on-going relationship, the Company can rely on confidentiality provisions in its standard terms and conditions.

2.14 In disclosing inside information on a selective basis, the Company should be mindful of its obligations under MAR prohibiting unlawful disclosure of inside information (Article 10 of MAR). In the context of a potential issue or placement of shares, the prescribed procedures to be followed for qualifying market soundings (not amounting to unlawful disclosure) will also need to be considered (Article 11).

Rumours

2.15 In relation to market rumour, if the Company has delayed disclosing inside information and it is the subject of largely accurate market rumour, Article 17(7) of MAR states that in such circumstances the Company may not delay disclosure of the inside information any longer as it is unable to ensure the confidentiality of the inside information (as required under Article 17(7) of MAR). In this circumstance, the inside information must be disclosed by the Company via an RIS as soon as possible, using a holding announcement if there may be a delay in a detailed announcement.

2.16 If the market rumour is false, the DG indicates that it is unlikely that the fact that the Company knows the rumour is false would itself be inside information. However, even if the knowledge that the rumour is false does constitute inside information, the Company should be able to delay disclosure in accordance with Article 17(4) or (5) of MAR (DG 2.7.3 G).

Control of inside information

2.17 **The Company must ensure that it (or a person acting on its behalf or on its account) draws up a list of those persons who have access to inside information and who are working for the Company or relevant entity or are otherwise performing tasks through which they have access to inside information relating to the Company, such as advisers.** The Company should at all times be in a position to provide the up-to-date insider list to the FCA as soon as possible on request (Article 18(1) of MAR).

2.18 The Company may delegate the task of drawing up and updating the insider list, but will remain fully responsible for compliance with its obligations in this area and must always retain a right of access to the insider list.

2.19 Under Article 18(1) and (2) of MAR the Company retains ultimate responsibility for maintaining a complete and comprehensive insider list. While the Company may delegate the preparation and maintenance of the list to an appropriate agent (or seek assistance from agents), the Company itself remains ultimately responsible for maintaining a complete insider list of all individuals performing tasks on the Company's behalf with access to inside information, regardless of by whom the individuals are employed or retained (i.e. including individual employees of the Company's advisers).

2.20 The insider list must be in a secure electronic form, sufficient to ensure the accuracy and confidentiality of the information (as well as access to and retrieval of previous versions) and must follow the templates prescribed under Commission Implementing Regulation 2016/347. Separate templates are prescribed for deal-or event-specific inside information and for permanent insiders. The deal-or event-specific insider list must be split into sections for separate pieces of inside information, with each section including a list of individuals with access to the relevant piece(s) of inside information.

2.21 The list must contain the following information for each relevant individual:

2.21.1 first name;

2.21.2 surname;

2.21.3 birth name if different;

2.21.4 professional telephone numbers (work direct telephone line and work mobile number);

2.21.5 company name and address;

2.21.6 unction and reason for being an insider;

2.21.7 date and time at which the person obtained access to the inside information (or, for permanent insiders, was included in the list);

2.21.8 date and time at which the person ceased to have access to the inside information;

2.21.9 date of birth;

2.21.10 national identification number (if applicable);

2.21.11 personal telephone numbers (home and personal mobile telephone numbers); and

2.21.12 personal home address.

2.22 Details for permanent insiders need not be repeated on the deal-or event-specific list.

2.23 The insider list must be updated promptly each time there is a change in the reason why a person is on the list (for example, as a result of a new piece of inside information), whenever a new person is added to the list and whenever a person on the list no longer has access to inside information (such as in cases where the information has been disclosed to the market). Each update to the insider list must state the dates and times on which it was created and updated (Article 18(4) of MAR). **The list (including each updated version) needs to be kept for five years from the date on which it was drawn up or updated, whichever is the latest (Article 18(5)).**

2.24 The Company must also take all reasonable steps to ensure that all persons on the insider list acknowledge in writing the legal and regulatory duties entailed and are aware of the sanctions attaching to insider dealing and unlawful disclosure of inside information. The Company must also ensure that its advisers and agents have taken all reasonable steps to ensure that every person on their insider lists has done the same (Article 18(2)).