

HYDROGENONE CAPITAL GROWTH PLC

VALUATION COMMITTEE

TERMS OF REFERENCE

(as adopted on 15 June 2021)

1 DEFINITIONS

- 1.1 Reference to the "**Board**" shall mean the board of directors of the Company.
- 1.2 Reference to the "**Committee**" shall mean the Valuation Committee.
- 1.3 Reference to the "**Company**" shall mean HydrogenOne Capital Growth plc.
- 1.4 Unless otherwise stated, reference to "**Chairperson**" shall mean the Chairperson of the Committee.
- 1.5 Unless otherwise stated, reference to "**Secretary**" shall mean the Secretary of the Committee.

2 MEMBERSHIP

- 2.1 The Committee shall comprise at least three members. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairperson of the Committee. The Board shall appoint the Chairperson. Before such appointment, the Board shall satisfy itself that the appointee has relevant experience and understanding of the Company.
- 2.2 All members of the Committee shall be independent non-executive directors. The Chairperson of the Board may also serve on the Committee if they were independent on appointment and as its Chairperson. Any member who fails to remain independent will step down from the Committee.
- 2.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals (if not members of the Committee) such as other directors of the Company, representatives of the alternative investment fund manager, the investment adviser or other external advisers may be invited to attend all or part of any meeting, as and when appropriate and necessary.
- 2.4 The Board may fill vacancies in the Committee by appointment from amongst the Board.
- 2.5 Each member of the Committee shall disclose to the Committee:
 - (a) any personal financial or other interest in any matter to be decided by the Committee;
or
 - (b) any potential conflict of interest arising from a cross-directorship or otherwise,

and any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee.

3 SECRETARY

3.1 The company secretary, or its or his or her 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.

3.2 The Committee shall have access to the services of the Secretary on all Committee matters, including: assisting the Chairperson in planning the Committee's work, drafting meeting agendas, maintaining minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support.

4 QUORUM AND VOTING ARRANGEMENTS

4.1 The quorum necessary for the transaction of business shall be any two (2) Committee 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.

4.2 Members may participate in a meeting of the Committee by means of a telephone or other communication equipment.

4.3 Any matters to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Each member of the Committee shall have one vote which may be cast on matters considered at the meeting of the Committee. Any action of the Committee may also be taken by an instrument or instruments in writing (including via email or other electronic means) signed (including via the use of electronic signatures) by all members of the Committee (including in counterparts) and any such action shall be as effective as if it had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

4.4 Except where he or she has a personal interest, the Chairperson shall have a casting vote.

4.5 In the absence of the Chairperson and/or an appointed deputy, the remaining members of the Committee present shall elect one of themselves to chair the meeting.

5 FREQUENCY OF MEETINGS

The Committee shall meet at least four times a year at appropriate times in the Company's valuation cycle and otherwise as required.

6 NOTICE OF MEETINGS

- 6.1 Meetings of the Committee shall be called by the Secretary at the request of any of its members.
- 6.2 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 to each member of the Committee and any other person required to attend and all other non-executive directors no later than five working days before the date of the meeting, unless approval is required at short notice. The Secretary or his or her nominee shall ensure that supporting information and papers shall be sent to Committee members and other attendees as appropriate at the same time.
- 6.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

7 MINUTES OF MEETINGS

- 7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2 The Secretary shall ascertain at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly.
- 7.3 Draft minutes of Committee meetings shall be agreed with the Chairperson and then circulated promptly to all members of the Board, unless it would be inappropriate to do so in the opinion of the Chairperson.
- 7.4 A resolution in writing or via email and signed or otherwise approved via electronic signature by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

8 SHAREHOLDER ENGAGEMENT

- 8.1 The Chairperson (or his or her nominated representative) shall attend the Company's annual general meeting or any general meeting relating to their area or responsibility prepared to respond to any shareholder questions on the Committee's activities.
- 8.2 The Chairperson should seek engagement with shareholders on significant matters related to their area of responsibility.

9 DUTIES

- 9.1 The Committee should have oversight of, and carry out the duties below for, the Company, major subsidiary undertakings (if any) and the group as a whole, as appropriate.
- 9.2 The Committee shall:

- (a) formulate or amend appropriate valuation policies in respect of individual investments or classes of investment;
- (b) ensure the valuation policy adopted complies with the obligations within the Company's prospectus, any agreements in place, legislation, regulations, guidance and other policies of the Company that may be applicable;
- (c) consider and approve the valuations and/or valuation methodology of the Company's listed and unlisted investments at each quarter-end date as recommended and/or undertaken by the Company's alternative investment fund manager and/or investment adviser, and make such amendments as are deemed appropriate, in particular by considering:
 - (i) whether the alternative investment fund manager and/or investment adviser followed appropriate valuation standards as reflected in the valuation policy adopted, and used appropriate judgment, while also understanding the views of external auditors (if applicable);
 - (ii) the methods used to account for significant or unusual valuations where different approaches are possible.
- (d) as appropriate, given the nature of the Company:
 - (i) ensure that the annual report includes a summary of the valuation of the Company's investment portfolio made in accordance with the Listing Rules;
 - (ii) consider at each quarter-end whether there is a need for an independent valuation of the Company's investment portfolio and, should it deem this to be required, appoint and utilise the services of an appropriate third-party independent valuer.
- (e) consider other topics, as defined by the Board.

10 REPORTING RESPONSIBILITIES

- 10.1 The Chairperson 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. This report shall include any issues on which the Board has requested the Committee's opinion.
- 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.
- 10.3 The Committee shall compile a report on its activities, including its membership and frequency of and attendance at its meetings, to be included in the Company's annual report. The report should include all information requirements set out in the Code (to the extent applicable).

11 OTHER MATTERS

The Committee shall:

- 11.1 have access to sufficient resources in order to carry out its duties, including access to the Secretary for 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 relevant laws and regulations, the provisions of the Code and the requirements of the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the UK version of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended in the UK from time to time including by The Prospectus (Amendment, etc) (EU Exit) Regulations 2019 (the "**Prospectus Regulation**"), the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended from time to time (the "**EU Alternative Investment Fund Management Directive**"), the UK version of the EU Alternative Investment Fund Management Directive, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended in the UK from time to time (the "**UK Alternative Investment Fund Management Directive**"), the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council on 16 April 2014 on market abuse, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended in the UK from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations (SI 2019/310) (the "**Market Abuse Regulation**") and any other applicable rules, as appropriate;
- 11.4 oversee any investigation of activities which are within its terms of reference;
- 11.5 work and liaise as necessary with all other Board committees; and
- 11.6 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.

12 AUTHORITY

The Committee is authorised to:

- 12.1 seek any information it requires from any member of the Board or any director or employee of the alternative investment fund manager, the investment adviser or any other adviser (from time to time) in order to perform its duties;
- 12.2 obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter within its terms of reference;

- 12.3 call any officers of the Company to be questioned at a meeting of the Committee as and when required; and
- 12.4 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.