

Folia Technical Committee: Terms of Reference

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1. Scope of the document

The following document describes the Terms of Reference (ToR) of the Technical Committee of Folia S.r.l. (folia.earth), detailing its mission, governance structure, and operational procedures. The Technical Committee serves as the primary technical advisory body supporting the continuous improvement and scientific rigour of Folia's certification scheme.

2. Folia Purpose

Folia accelerates the net-zero transition through agriculture & forestry excellence and innovation. Folia operates a certification scheme aligned with European Regulation 2024/3012 that enables agricultural and forestry companies to directly manage and monetize projects generating high-quality carbon credits monitored in real-time. Three fundamental pillars guide our approach to certification:

- We empower agricultural supply chains to manage carbon projects autonomously through training, technical support and buyer network visibility.
- We ensure scientific rigour through application of European methodologies augmented with real-time field monitoring of climate impacts, and open data sharing for research advancement.
- We foster direct participation in standard development by managing different advisory bodies and promoting public consultations to further improve the scheme by analysing inputs from Industry, Academia and Civil Society.

Folia's governance structure must ensure that the scheme maintains legal and technical competence while operating with complete impartiality and independence. The Technical Committee serves as the expert scientific and methodological body supporting the scheme's integrity.

3. Technical Committee Mission

The Technical Committee has the following mission:

Support compliance with European methodologies and propose improvements. Assess the adherence of the certification scheme to EU carbon farming standards — including Regulation (EU) 2024/3012, the Commission Delegated Regulation establishing certification methodologies for carbon farming activities and Implementing Regulation (EU) 2025/2358 and recommend enhancements to Folia management and the Advisory Board. Identify relevant developments in high-impact sectors such as blue carbon and ocean-based removals.

Drive innovation and adoption in agricultural practices. Propose innovative farming techniques that balance sustainability with productivity and quality, while fostering widespread

adoption by considering the diverse social, economic, environmental, regulatory, and technological circumstances of farming communities.

Pioneer real-time carbon measurement technologies. Provide recommendations on cutting-edge measurement tools and techniques for carbon monitoring, ensuring maximum precision in the quantification of carbon sequestration and emissions reduction, consistent with international standards (e.g. IPCC Guidelines).

Adoption of best-in-class carbon quantification models. Provide recommendations on models to be allowed by the certification scheme for the quantification of carbon removals and soil emission reductions from carbon farming activities, in accordance with the eligibility criteria for models set out in the applicable EU certification methodologies.

Promote scientific transparency. Support the guarantee that field data on carbon sequestration and avoided emissions is accessible to the scientific community through peer-reviewed publications, public datasets, and open-source models.

4. Mandate and areas of activity

A. Mandate

The Technical Committee operates as an independent technical advisory body to Folia's management, Board of Directors, and Advisory Board. The Technical Committee proposes and reviews proposed changes to the certification scheme and issues written technical opinions, including recommendations for approval, modification, or rejection, to be submitted to the Advisory Board. It also provides independent technical advisory directly to the Advisory Board upon request, supporting the Advisory Board's governance review with scientific and methodological expertise. The Technical Committee does not have authority to approve or implement changes to the scheme: all decision-making authority rests with the Advisory Board and the Board of Directors, in accordance with the scheme update process reported in the Folia Certification Scheme.

B. Areas of technical advisory activity

The Technical Committee provides technical opinions and recommendations in the following areas:

Review and propose. Examine proposed changes to the Folia Standard, monitoring protocols, and crediting rules, and issue a written technical opinion, including recommendations for approval, modification, or rejection, to be transmitted to the Advisory Board for governance review. The Technical Committee does not approve or reject changes.

Commission technical assessments. Propose to Folia management that technical studies, impact assessments, or independent reviews be commissioned where necessary to evaluate proposed changes to the standard. Formal commissioning authority rests with the Board of Directors, subject to approved budget allocation.

5. Duties

- Review proposed changes to the Folia Standard and Crediting Rules — including project eligibility rules, quantification methodologies, validation and verification protocols, and conditions for credit issuance and retirement — and issue a written technical opinion with supporting rationale to be submitted to the Advisory Board.
- Make recommendations to align Folia rules with developments in EU regulation (in particular Regulation (EU) 2024/3012, the applicable Commission Delegated Regulation on carbon farming certification methodologies, and Implementing Regulation (EU) 2025/2358), international standards, and emerging scientific consensus. Submit recommendations to Folia Management for elaboration and, when deemed applicable, for public consultation.
- Provide independent technical advisory to the Advisory Board upon request, supporting its governance review of proposed changes to the scheme with scientific and methodological expertise. When called upon by the Advisory Board, the Technical Committee shall prepare targeted technical opinions or analyses on specific matters requiring clarification before the Advisory Board's governance deliberation.
- Serve as a technical reference point when Folia management engages with regulatory bodies, including the European Commission and international standard-setters. Upon request, provide scientific expertise, review consultation documents, and support policy contributions to ensure continued regulatory alignment. Formal institutional representation remains with Folia management.

All commercial matters including pricing, fee structures, market strategies, business partnerships, and scheme adoption tactics fall outside the Technical Committee's scope and remain under Folia management's and Board of Directors' exclusive control.

All technical opinions and recommendations of the Technical Committee shall be duly substantiated in writing.

6. Roles and appointments

A. Members

Composition. The Technical Committee shall comprise a minimum of 5 and maximum of 9 voting members, all of whom shall be independent, non-executive members with demonstrated

expertise in relevant technical fields appointed by the Board of Directors of Folia. The Board of Directors can appoint one or more of its members to be a non-voting member of the Technical Committee.

Required expertise. Members shall be drawn from essential technical domains for the certification scheme, including: soil science and carbon sequestration; agricultural practices and agronomy; forestry and silviculture; climate science and GHG quantification; remote sensing technologies and eddy covariance; environmental economics; and political ecology. Members may also bring expertise in strategic expansion sectors identified as priorities for the scheme's future development, such as marine and coastal systems (blue carbon).

All actual or potential conflicts of interest must be disclosed to the Head of Compliance via the Internal COI Declaration Form, in accordance with Folia's Conflict of Interest Policy. The Head of Compliance shall inform the Chairman of the Technical Committee and the Board of Directors as appropriate.

B. Chairman

Selection. The Chairman shall be elected by Technical Committee members from among themselves by simple majority vote at the first meeting following any change in composition.

Responsibilities. Lead Technical Committee meetings, prioritise agenda items, liaise with Folia management, exercise casting vote in case of ties.

C. Secretary

Selection. The Secretary shall be nominated by Folia's Board of Directors, serving as a non-voting member of the Technical Committee.

Responsibilities. Prepare meeting agendas, distribute materials, record minutes and written recommendation for the Advisory Board, maintain decision registers, track implementation status, and ensure proper documentation of all Technical Committee activities.

D. Terms of appointment

Duration. Members serve three-year terms, renewable once consecutively. After two consecutive terms, a member must observe a one-year cooling-off period before reappointment.

Staggering. Terms shall be staggered to ensure continuity, with a maximum of one-third of positions rotating each year.

Approval. New appointments, including in any case of termination of office, require approval by simple majority of existing Technical Committee members and confirmation by Folia's Board of Directors.

7. Operations

A. Meetings cadence and execution

Meeting frequency. The Technical Committee convenes at least every six months, or when convoked by Folia management in connection with the preparation of change proposals to be submitted to the Advisory Board (Step 2 of the scheme update process reported in the Folia Certification Scheme), or when the Chairman deems it necessary.

Submission process. Folia management submits change proposals of the certification scheme to the Chairman of the Technical Committee. Proposals must include technical justification, regulatory context (with explicit reference to the applicable provisions of Regulation (EU) 2024/3012, the Delegated Regulation on carbon farming certification methodologies, and Implementing Regulation (EU) 2025/2358 where relevant), and implementation timeline.

Agenda preparation. The Secretary prioritises proposals and distributes review materials to Technical Committee members before each meeting.

Technical opinion and transmission. The Technical Committee issues a written technical opinion on each proposal, recommending approval, modification, or rejection with supporting rationale. The opinion, together with any proposed amendments, is transmitted to the Advisory Board for governance review (Step 3 of the scheme update process). The Technical Committee does not have authority to approve or implement changes to the scheme.

B. Meeting Quorum

Decision validity. The Technical Committee shall have quorum when more than half of the appointed voting members are present, with the following minimum thresholds: 4 members for a Committee of 5-6 voting members; 5 members for a Committee of 7-8 voting members; 6 members for a Committee of 9 voting members.

Remote participation. Members participating via video or audio conference shall be considered present for quorum purposes, provided they can actively engage in discussions and voting throughout the meeting.

Persistent lack of quorum. If two consecutive meetings fail to achieve quorum, the Chairman shall notify Folia's management and Board of Directors to address attendance issues or shall propose Technical Committee composition changes.

C. Meeting Procedure

Meeting notice. The Secretary shall provide written notice of each meeting to all members at least 10 business days before the scheduled date, including the venue (or video conference link), date, and time.

Pre-reading materials. The Secretary shall distribute the agenda and all supporting documentation at least 10 business days before each meeting.

Minutes and documentation. The Secretary shall record comprehensive minutes capturing all discussions, technical opinions, and action items, with particular attention to the rationale for recommendations. Draft minutes shall be circulated within 7 business days following the meeting for member review. Following a 5-day comment period, final minutes shall be approved by the Chairman and distributed to Technical Committee members, Folia management. Minutes shall clearly distinguish between confidential and non-confidential portions for appropriate distribution.

D. Meeting participation

Attendance at Technical Committee meetings shall be by invitation only, managed by the Secretary under the Chairman's direction. Representatives from Folia management responsible for proposed changes shall attend to present proposals and respond to Technical Committee inquiries. These representatives may invite subject matter experts to provide technical clarification on specific agenda items. External attendees participate in a non-voting capacity and may be excused during confidential discussions. The Secretary shall maintain a record of all meeting participants.

E. Quality assurance of information

Folia management guarantees the integrity and expertise of persons providing information to the Technical Committee and ensures the accuracy and completeness of all information submitted for its review. When external experts are engaged to provide information or analysis, Folia management shall verify their credentials, independence, and absence of conflicts of interest before their participation.

F. Confidentiality

Technical Committee members shall not disclose, share, or otherwise communicate information classified as confidential by the Secretary to any third parties, including their own organisations, without explicit written authorisation from Folia management.

G. Induction for new members

New Technical Committee members shall receive comprehensive induction training within 30 days of appointment, covering at least: the current Folia Standard and certification methodologies; Regulation (EU) 2024/3012 requirements and applicable Commission Delegated and Implementing Regulations; existing carbon quantification models approved under the scheme; ongoing activities and their performance data; governance procedures and the scheme update process.

8. Related documents

- Folia Advisory Board Terms of Reference.
- Folia Conflict of Interest Policy.
- Folia Whistleblowing Policy.
- Folia Non-Conformity Policy;
- Folia Complaints Policy;
- Folia Internal Monitoring Policy;
- Folia Certification Scheme.