

Remuneration Committee Terms of Reference

Ceres Power Holdings plc

1. Duties of the Committee

1.1

1. The Committee shall consider and recommend to the Board the framework or policy for the remuneration of the Company's Chairperson, the Executive Directors and senior executives (including salary, incentive schemes, pension plans and other benefits and payments to be made on retirement, resignation or dismissal);
2. determine the specific remuneration arrangements for Executive Directors including their specific salary reviews;
3. consider the pension consequences and associated costs to the Company of basic salary increases and any other changes in pensionable remuneration for Executive Directors;
4. determine targets for any performance-related pay schemes operated by the Company for Executive Directors;
5. consider whether the Executive Directors should be eligible for annual bonuses with appropriate performance conditions and upper limits taken into account;
6. determine the vesting of options over shares in the Company for Executive Directors under any share option plan;
7. consider whether the Executive Directors should be eligible for benefits under long term incentive schemes, SAYE and/or other wider equity participation schemes;
8. consider and advise on any major changes in employee benefit structures throughout the Company;
9. approve any contract of employment or related contract with any Executive Director or with the Chairman of the Company;
10. shall recommend and monitor the level and structure of remuneration for senior management.
11. consider and recommend to the Board the contents of the Directors' Remuneration Report to be included in the Annual Report and Accounts;
12. consider the policy and monitoring process for all Directors holding shares in the Company; and
13. agree the policy for authorising claims for expenses from the Chief Executive and the Chairperson of the Company.

1.2 In determining such policy, the Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of such policy shall be to attract, retain and motivate the executive management of the company without paying more than necessary. The remuneration policy aligns the Company's appetite for risk with the Company's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long term success of the Company. The remuneration of Non-Executive Directors shall be a matter for the Board or the shareholders (within the limits set in the articles of association). The Committee shall however give consideration to and bring to the Board's attention any relevant market trends for the remuneration of the Non-Executive Directors. No director or senior manager shall be involved in any decisions as to their own remuneration.

1.3 When setting remuneration policy for directors, the Committee shall review and have regard to the pay and employment conditions across the Company, especially when determining salary increases.

- 1.4 The Committee shall review the ongoing appropriateness and relevance of the remuneration policy.
- 1.5 The Committee shall approve the design of, and determine targets for, any performance related pay schemes, SAYE and other wider equity participation schemes operated by the Company and approve the total annual payments made under such schemes.
- 1.6 The Committee shall review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors and other senior executives and the performance targets to be used.
- 1.7 The Committee shall determine the policy for, and scope of, pension arrangements for each Executive Director and other senior executives.
- 1.8 Within the terms of the agreed policy and in consultation with the Chairperson and/or Chief Executive as appropriate, the Committee shall determine the total individual remuneration package of the Chairperson, each Executive Director and other senior executives including bonuses, incentive payments and share options or other share awards.
- 1.9 The Committee shall:
 1. ensure that contractual terms on termination and any payments made are fair to the individual and the Company; that failure is not rewarded and the duty to mitigate loss is fully recognised;
 2. oversee any major changes in employee benefits structures throughout the Company; and
 3. agree the policy for authorising claims for expenses from the directors.
- 1.10 The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 1.11 The Committee shall obtain reliable, up-to-date information about remuneration in other companies of comparable scale. The Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary to help it fulfil its obligations within any budgetary restraints imposed by the Board; and
- 1.12 The Committee shall consider such other matters as may be requested by the Board of directors and work and liaise as necessary with all other Board committees.

2. Membership

- 2.1 The Board shall appoint the Committee Chairperson who shall be an independent Non-Executive director. In the absence of the Committee Chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairperson of the Board shall not be Chairperson of the Committee.
- 2.2 The members of the Committee shall be appointed by the Board of directors on the recommendation of the Nomination & Governance Committee and in consultation with the chairperson of the Remuneration Committee. All of the members of the Committee should be independent non-executive directors as defined by the UK Corporate Governance Code from time to time. Appointments to the Committee shall be for periods of up to three years, which may be extended for no more than two additional three-year periods provided the members continue to be independent.
- 2.3 The Committee shall have at least three members. The Chairperson of the Board of directors may serve on the Committee as an additional member, but not the Chair the Committee, if he or she was considered independent on appointment as Chairperson.
- 2.4 A quorum shall be any two members of the Committee.

3. Voting Arrangements

- 3.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 3.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly, has a personal interest that member shall not be permitted to vote at the meeting.
- 3.3 Save where he has a personal interest, the Chairperson will have a casting vote.

4. Attendance At Meetings

- 4.1 The Committee will meet at least twice a year. The Committee may meet at other times during the year as requested by the Chairperson of the Committee. Meetings of the Committee may be conducted in person or by audio or video conference.
- 4.2 Only members of the Committee have the right to attend Committee meeting but other directors and external advisers may be invited to attend all or part of any meeting as and when appropriate. The Company's Chief Executive shall have the right to address any meeting of the Committee. No director or other Committee attendee shall be involved in any decision or be present at any discussions as to his or her own remuneration.
- 4.3 The Company Secretary or his or her nominee shall be the secretary of the Committee.

5. Notice Of Meetings

- 5.1 Meetings of the Committee shall be summoned by the Chairperson or the secretary of the Committee at the request of the Chairperson.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than three working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time.

6. Authority

The Committee is authorised by the Board of directors to examine any activity within its terms of reference and is authorised to obtain, at the company's expense, legal or professional advice on any matter within its terms of reference. 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. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

7. Reporting

- 7.1 The proceedings and resolutions of the Committee meetings, including the names of those present and in attendance shall be minuted by the Company Secretary.
- 7.2 Draft minutes of each meeting will be circulated promptly to all members of the Committee. The Committee Chairperson shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.4 The Committee shall make available its terms of reference on the Company's website.

8. General Matters

- 8.1 The Chairperson of the Committee should make him or herself available at each Annual General Meeting of the company to answer questions concerning the Committee's work.

- 8.2 The Committee shall arrange for periodic reviews of its own performance and, at least once a year, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 8.3 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required and be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members
- 8.4 The Committee shall give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share schemes as appropriate.
- 8.5 Through the Chairperson of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.