

Remuneration Committee – Terms of Reference

The following are the terms of reference of the Remuneration Committee (the “Committee”) of Ceres Power Holdings Plc (“Ceres”). References to Directors are to Directors of Ceres. References to employees are to Ceres and any of its subsidiaries or associated entities (defined as any entity over which Ceres Board can exert significant influence). References to the Board are to the Board of Directors of Ceres Power Holdings Plc.

References to ‘independent’ are determined by reference to paragraph B.1.1 of the UK Corporate Governance Code, June 2010 (the ‘Code’).

Purpose

The purpose of the Committee is to assist the Board in discharging its responsibilities with regard to executive compensation and to oversee the general compensation philosophy of Ceres.

1. Membership

- 1.1 The Committee is a committee of the Board of Ceres and will comprise at least two Non-Executive Directors of Ceres, who are independent of management and free of any business or other relationship which could interfere with the exercise of their independent judgement. The quorum of the Committee is any two Committee members.
- 1.2 The members of the Committee and the Chairman of the Committee shall be appointed from time to time by a resolution of the Board, on the recommendation of the Nomination & Governance Committee, from amongst the Non-Executive Directors, and may be removed by the Board at its discretion.
- 1.3 The Secretary to the Committee is appointed by the Chairman of the Committee.

2. Proceedings of the Committee

- 2.1 The Committee shall have the discretion to decide who, other than its members, shall attend its meetings, except that Ceres’ Chief Executive shall have the right to address any meeting of the Committee.
- 2.2 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.

3. Frequency of Meetings

- 3.1 The Committee meets no less than two times a year. Any Committee member or the Secretary may call additional meetings as necessary.

4. Authority

- 4.1 The Committee is authorised by the Board to undertake any activity within its terms of reference.
- 4.2 The Committee is authorised by the Board to seek appropriate professional advice and resource inside and outside Ceres as and when it considers this necessary.
- 4.3 Although normally decisions are reached on a consensus, in the event of a disagreement, decisions on any matter are made by the majority, with the Chairman of the meeting having a second casting vote in the event of a tie. A Committee member who remains opposed to a proposal after a vote can ask for his or her dissent to be noted in the minutes.
- 4.4 In carrying out its duties under these terms of reference, the Committee will have due regard to any legal requirements, provisions and recommendations in the Code and the AIM Rules and associated guidance.
- 4.5 It is the responsibility of the Chairman of the Committee to develop detailed terms of reference for the Committee and to agree these with the Board and to ensure the effectiveness and efficiency of the Committee.

5. Principal Duties

The Committee shall:

- 5.1 consider and recommend to the Board remuneration policy for Executive Directors (including salary, incentive schemes, pension plans and other benefits and payments to be made on retirement, resignation or dismissal);
- 5.2 determine the specific remuneration arrangements for Executive Directors including their specific salary reviews;
- 5.3 consider the pension consequences and associated costs to Ceres of basic salary increases and any other changes in pensionable remuneration for Executive Directors.
- 5.4 determine targets for any performance-related pay schemes operated by Ceres for Executive Directors;
- 5.5 consider whether the Executive Directors should be eligible for annual bonuses with appropriate performance conditions and upper limits taken into account;
- 5.6 determine the vesting of options over shares in Ceres for Executive Directors under any share option plan

- 5.6 consider whether the Executive Directors should be eligible for benefits under long term incentive schemes;
- 5.7 consider and advise on any major changes in employee benefit structures throughout Ceres;
- 5.8 approve the terms of appointment for and determine the specific remuneration arrangements (including the operation of any appropriate incentive schemes) for the Chairman of the Company;
- 5.9 approve any contract of employment or related contract with any Executive Director or with the Chairman of Ceres on behalf of Ceres;
- 5.10 periodically has the opportunity to review the overall remuneration of the most highly paid employees in Ceres;
- 5.11 consider and recommend to the Board the contents of the Board's annual reports to shareholders on Directors' remuneration to be included in the Annual Report;
- 5.12 will be available in the person of the Chairman of the Committee to answer shareholders' questions about Directors' remuneration at the Annual General Meeting;
- 5.13 consider the policy and monitoring process for all Directors holding shares in the Company;
- 5.14 agree the policy for authorising claims for expenses from the Chief Executive and the Chairman of the Ceres; and
- 5.15 select, appoint and set the terms of reference of any remuneration consultants who advise the Committee.

6. Reporting

- 6.1 Minutes of meetings of the Committee will be circulated to all members of the Committee and to nominated recipients (including the Chairman and the Chief Executive of Ceres) with papers for the subsequent meeting.
- 6.2 The Committee shall annually review its terms of reference and its own effectiveness and recommend any changes to the Board.
- 6.3 The Committee shall conduct and present to the Board an annual performance evaluation of the Committee.
- 6.4 The Chairman of the Committee shall attend the AGM and shall answer questions, through the Chairman of the Board, on the Committee's activities and their responsibilities.