

## **TECHNICAL AND OPERATIONAL RISK COMMITTEE – TERMS OF REFERENCE**

### **Terms of Reference**

The following are the terms of reference of the Technical and Operational Risk Committee (the “Committee”) of Ceres Power Holdings Plc (“Ceres”). References to Directors are to Directors of Ceres Power Holdings and Ceres Power Limited. 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 its oversight of the technical and operational risks of Ceres in delivering its business plans. Its existence in no way dilutes the accountability of the executive team for the management of technical and operational risk.

### **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 shall be independent of management and free of any relationship which could interfere with the exercise of their independent judgement.
- 1.3 A quorum for the Committee is two Committee members at least one of whom must be a Non-Executive Director.
- 1.4 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 and Governance Committee, from amongst the Non-Executive Directors, and may be removed by the Board at its discretion.
- 1.5 The Secretary to the Committee is appointed by the Chairman of the Committee.

### **2. Proceedings of the Committee**

- 2.1 The Committee may invite or require other persons to attend meetings where appropriate to assist in the effective discharge of the Committee’s duties.
- 2.2 The Committee will report to the Board at least twice a year in March and September. It will present the risks that it feels are important, an assessment of their likelihood and impact on the business and what, if any, mitigating measures are put in place to manage these.
- 2.3 The Committee may meet separately with the CEO without any other Executive Directors being present if it feels that is appropriate.
- 2.4 The Chairman of the Committee will be available to meet with any employee to discuss any matters of concern in relation to operational and technical risks within Ceres.
- 2.5 The Chairman will be available in person at the Annual General Meeting of Ceres to answer shareholders’ questions about the activities of the Committee.

- 2.6 The terms of reference of the Committee shall be made publicly available, explaining the role and authority delegated to the Committee by the Board.

### **3. Frequency of Meetings**

- 3.1 The Committee shall meet not 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 Ceres Board to undertake any activity within its terms of reference, to obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary and is entitled to sufficient resources from Ceres to undertake its duties.
- 4.2 The Committee is authorised to seek any reasonable information it requires from any employee of Ceres and all employees are directed to cooperate with any such request made by the Committee.
- 4.3 Where a disagreement between the Committee and the Board cannot be resolved the Committee has the right to report the issue to the shareholders as part of the report on activities in the Annual Report.
- 4.4 It is the responsibility of the Chairman of the Committee to develop detailed terms of reference for the Committee for approval by the Board and to ensure the effectiveness and efficiency of the Committee.

### **5. Principal Duties**

The Committee shall:

- 5.1 Review the major operational and technical risks in the business which impact on its ability to deliver the Board approved business plan;
- 5.2 Review and assess the appropriateness and effectiveness of any management action in relation to these technical and operational risks that are necessary to enable the company to deliver its business plan and recommend to the Board any matters to be considered;
- 5.3 Review the technical and operational activities, resources and organisational structure of Ceres and if necessary recommend to the Board any matters to be considered;
- 5.4 Report to the Board at its March and September meetings and any other time as it feels appropriate or is requested to by the Board;

### **6. Reporting**

- 6.1 The minutes of meetings of the Committee will be circulated to all members of the Committee, to members of the Board and to nominated recipients as soon as practicable after the 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 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.