



CORPORATE GOVERNANCE STATEMENT

The Board takes account of the requirements of the QCA Corporate Governance Code. Corporate Governance adherence will be the responsibility of the Chairman and will take steps to ensure compliance by the Board and applicable employees with the terms of the code. The Company has adopted a share dealing code for the Board and employees of the Company.

The Company holds regular board meetings. The Directors are responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. The Directors have established the Audit Committee and the Remuneration Committee with formally delegated rules and responsibilities. Each of these committees will meet at least once each year, but additional meetings will take place on an ad hoc basis as required.

The Board of Directors seeks to promote a corporate culture that is based on sound ethical values and behaviours.

The company will annually review and update its corporate governance statement. In addition, the company will include a corporate governance report in future annual report and accounts.

The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code"). This statement sets out how the Company complies with the 10 principles of the QCA Code.

David Templeton
Non-Executive Chairman

1. STRATEGY & BUSINESS MODEL

The Company has set out a strategy and business model to promote long-term value for shareholders and will update all shareholders on this in the annual reports for each year. The Board of Directors meet on a regular basis to discuss the strategic direction of the Company and any significant deviation or change will be highlighted promptly should this occur.

Further details can be found on pages 4 – 6 of the [Annual Report](#).

2. UNDERSTANDING AND MEETING SHAREHOLDER NEEDS AND EXPECTATIONS

Company progress on achieving its key targets is regularly communicated to investors through the publication of announcements via RNS, through presentations and through the use of a Corporate PR firm.

The Company also utilises other professional advisors such as the Company's NOMAD, Broker, Auditor and Company Secretary who provide advice and recommendations on shareholder communication.



The Company regards the annual general meeting as a good opportunity to communicate directly with shareholders via an open question and answer session.

Contact details are provided on the advisers page and contacts page of the Company's website and within public documents should shareholders wish to communicate with the Company.

3. TAKING INTO ACCOUNT WIDER STAKEHOLDER & SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

The Board of Directors recognise their responsibilities to stakeholders including staff, suppliers and within the community it operates in.

Stakeholders can contact the Company via the website however at present the Company does not have a system for obtaining feedback from stakeholders. The Board of Directors intend to identify its key stakeholders and ensure that its Research and Development program uses the best and most appropriate suppliers to achieve good research outcomes. Any research undertaken is done so within the legal requirements for companies in the pharmaceutical and biotech industry.

4. EMBEDDING EFFECTIVE RISK MANAGEMENT

The Board of Directors are aware of their responsibility for establishing and communicating a system to manage risk and implement internal controls.

Operational risks are identified and assessed by management and any significant risks are reported to the Board. Financial and commercial risks are reviewed by the Board.

The Company's internal control systems are designed to provide the directors with reasonable assurance that any problems are identified on a timely basis and dealt with appropriately. The Board considers the internal controls to be effective but no system of internal control can provide absolute assurance against material misstatement or loss.

The Company will effectively review the risks faced by the business, considering both opportunities and threats and identify these in its annual report.

5. MAINTAINING A BALANCED AND WELL-FUNCTIONING BOARD

The Company ensures a balanced board membership to reflect the skills needed with a minimum of two independent NED's. The Chairman oversees Corporate Governance compliance. Regular board meetings are held, (a minimum of six per year) and ad hoc meetings are scheduled as required. Gender balance will be considered for all new appointments. The attendance at board meetings can be found within the Company's most recent annual report on page 10.

The Audit Committee consists of David Templeton and Luke Cairns and is chaired by Luke Cairns. The Audit Committee will, inter alia, determine and examine matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the annual audit. It receives and reviews reports from management and the Company's auditors relating to the half yearly and annual accounts and the accounting and

internal control systems in use throughout the Enlarged Group. It also monitors and is responsible for ongoing compliance by the Company with the AIM Rules for Companies. The Audit Committee intends to meet twice per year and since the RTO has held one Audit Committee which was attended by the Committee Members, the Chief Executive Officer and the Company's Auditors.

The Remuneration Committee consists of David Templeton and Luke Cairns and is chaired by David Templeton. It is intended that the Remuneration Committee will meet once per year. Given that, the Company completed the RTO on the 3 May 2017 and has recently released its final results on 25 April 2018, the Company intends to hold its first Remuneration Committee meeting in due course. The Remuneration Committee inter alia, reviews and makes recommendations in respect of the Directors' remuneration and benefits packages, including share option and the terms of their appointment.

Given the Company's current size, the Board has not considered it necessary to constitute a nomination committee and the Board, as a whole, will consider the appointment of directors and other senior employees of the Company.

6. HAVING APPROPRIATE EXPERIENCE, SKILLS AND CAPABILITIES ON THE BOARD

The Board of directors has a mix of experience skills and personal qualities that help deliver the strategy of the Company. The Company will ensure that between them the directors have the necessary up-to-date experience, skills and capabilities to deliver the Company strategy and targets. Each director will be identified on the website and in the annual report along with a clear description of their role and experience. The Company will consider Gender balance alongside experience for all new board appointments. A description of the roles of the current Directors can be found [\[here\]](#).

7. EVALUATING BOARD PERFORMANCE

Given the size and nature of the business, and the relatively short period of time since the Company completed its readmission onto AIM, the Company has yet to undertake a formal assessment of the board performance and effectiveness. However, the non-executive directors use the board meetings to review and assess the performance of the executive Directors. The Board of Directors intends to consider how formal assessments of board performance will be conducted in the future and also will consider succession planning in the near future.

8. ETHICAL VALUES & BEHAVIOURS

The Company operates a corporate culture that is based on ethical values and behaviours. It has put in place an anti-bribery policy and will maintain a quality system appropriate to the standards required for a pharmaceutical development company, to enable the Company to meet its regulatory obligations. Given the size of the Company, all practices undertaken by the Company or on its behalf are reviewed by the Board, which enables the board to ensure that the ethical values and behaviours are being adhered to.



9. MAINTAINING GOVERNANCE STRUCTURES AND PROCESSES

The Board

In addition to the Chairman's statement and explanation provided under principle 5. The Chairman is responsible for the leadership of the board and is pivotal to fostering a culture that adopts good corporate governance. The Chairman together with the rest of the board sets direction for the Company through a formal schedule of matters reserved for its decision. All of the executive directors have particular roles and areas of responsibility and continually engage with the Company's shareholders and stakeholders. The board has a schedule of matters reserved for its review and approval, such items include, strategy, approval of major capital expenditure projects, approval of the annual and interim results, annual budgets, dividend policy and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets, their performance in relation to those budgets and their capital expenditure. The Board delegates day-to-day responsibility for managing the business to the Executive Directors and the senior management team.

Committees

The roles and responsibilities of the Group's committee have been explained in Principle 5.

10. COMMUNICATING WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

Under AIM rule 26 the Company already publishes historical annual reports, notices of meetings and other publications over the last five years which can be found [\[here\]](#).

The Board of Directors have not published an audit committee or remuneration committee report in its annual report and accounts. The Board feels that this is appropriate given the size and stage of development of the Company. The Board will consider annually whether it considers it appropriate for these reports to be included in future annual report and accounts.