
CORPORATE GOVERNANCE STATEMENT

The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the “QCA Code”). The Board takes account of the requirements of the QCA Code and adherence is the responsibility of the Chairman who takes steps to ensure compliance by the Board and applicable employees. The Company has also 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 meet at least once each year, but additional meetings 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 performs a review and updates its corporate governance statement annually. In addition, the Company includes a corporate governance report in the annual report and accounts.

This statement sets out how the Company complies with the 10 principles of the QCA Code.

John Chiplin
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 updates 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 – 7 of the [Annual Report](#).

2. UNDERSTANDING AND MEETING SHAREHOLDER NEEDS AND EXPECTATIONS

The Board is committed to maintaining good communications and having a constructive dialogue with its shareholders.

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 our 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 formal 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. Further details can be found on pages 34 – 36 of the [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 NEDs. 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 12.

Notwithstanding the fact that John Chiplin is the Company's Non-Executive Chairman, the Company considers John Chiplin and Chris Britten to be independent directors. The Company will consider the appointment of an additional non-executive director as the business develops.

The Board of Directors is mindful of the fact that it does not have a CFO or FD on the board. The Company's finance function is outsourced to Offshore Group who provide book-keeping and accounting services. They produce monthly reports for the board and attend every board meeting to present their reports for the period. In addition, they work closely with the executive directors in respect of budgeting and the management of the audit process. Given the current size of the Company, the fact it is pre-revenue and the financial experience of certain Board members the Company is very comfortable that the current financial systems and controls are more than adequate.

The Audit Committee consists of Dr John Chiplin and Dr Chris Britten and is chaired by Dr Chris Britten. The Audit Committee, inter alia, determines and examines 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 Company. It also monitors and is responsible for ongoing compliance by the Company with the AIM Rules for Companies. The Audit Committee meets once per year.

The Remuneration Committee consists of Dr John Chiplin and Dr Chris Britten. The Remuneration Committee is chaired by Dr Chris Britten. The Remuneration Committee meets once per year. The Remuneration Committee inter alia, reviews and makes recommendations in respect of the Directors' remuneration and benefits packages, including share options and the terms of their appointment.

Given the Company's current size, the Board does not consider 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 ensures that between them the directors have the necessary up-to-date experience, skills and capabilities to deliver the Company strategy and targets. Each director is 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 [\[here\]](#) and on page 8 of the [Annual Report](#).

7. EVALUATING BOARD PERFORMANCE

The Company aims to perform periodic formal assessments of the board performance and effectiveness. In Q4 2020 The Company appointed CRSI to undertake a formal review of the board structure and operations. CRSI concluded they believed that the current management team and structure of the board has all the relevant components to take the business through to the next phase of its evolution.

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 maintains 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 the 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 Company'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 [\[here\]](#).

Results of shareholder meetings and details of votes cast will be publicly announced through the regulatory system and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.

The Board of Directors has 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.