

## POLICY STATEMENT

The Board and its Committees have responsibilities under the

- Companies Act (CA);
- UK Corporate Governance Code (CC);
- UK Listing Authority's Disclosure and Transparency Rules (DTR); and
- UK Listing Authority's Listing Rules (LR).

The Board has the final decision of those items assigned below to the Audit, Nomination or Remuneration committee. The term Board can mean the Board as a whole or a committee established by the Board for the purposes of dealing solely with the item under question.

	<b>Body</b>
<b>1. STRATEGY AND MANAGEMENT</b>	
1.1 Responsibility for the overall leadership of the Group and setting the Group's purpose, values and culture; and assessing and monitoring culture throughout the Group.	<i>Board</i>
1.2 Approval of the Group's budget and forecasts.	<i>Board</i>
1.3 Approval of the Group's long-term objectives and strategy.	<i>Board</i>
1.4 Approval of the annual operating and capital expenditure budgets and any material <sup>1</sup> changes to them.	<i>Board</i>
1.5 Oversight of the Group's operations ensuring: <ul style="list-style-type: none"><li>• competent and prudent management</li><li>• sound planning</li><li>• an adequate system of internal control</li><li>• adequate accounting and other records</li><li>• compliance with statutory and regulatory obligations.</li></ul>	<i>Board</i>
1.6 Review of performance in light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.	<i>Board</i>
1.7 Extension of the Group's activities into new business or geographic areas (via acquisition or new legal entity).	<i>Board</i>
1.8 Any decision to cease to operate, dissolve or divest all or any material part of the Group's business.	<i>Board</i>

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<sup>1</sup> Material is defined as £5.0 million

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**2. STRUCTURE AND CAPITAL**

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| 2.1 | Material <sup>1</sup> changes relating to the Group's subsidiary capital structure including reduction of capital, share issues | <i>Board</i> |
| 2.2 | Material changes to the Group's corporate structure.  | <i>Board</i> |
| 2.3 | Material changes to the Group's management and control structure.   | <i>Board</i> |
| 2.4 | Any changes to the Company's listing or its status as a plc.  | <i>Board</i> |
| 2.5 | Approval of all equity transactions in relation to the Company except share issues under the employee share plans.              | <i>Board</i> |

**3. FINANCIAL REPORTING AND CONTROLS**

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| 3.1  | Approval of the half-yearly report, interim management statements, investor presentations and any preliminary results announcements.                    | <i>Board subject to recommendation by Audit</i> |
| 3.2  | Approval of the Annual Report and Accounts, including the strategic report, directors' report, corporate governance statements and Remuneration Report. | <i>Board subject to recommendation by Audit</i> |
| 3.3  | Approval of the dividend policy.  | <i>Board subject to recommendation by Audit</i> |
| 3.4  | Declaration of the interim dividend and recommendation of the final dividend.   | <i>Board subject to recommendation by Audit</i> |
| 3.5  | Approval of any significant changes in accounting policies or practices.  | <i>Audit</i>                                    |
| 3.6  | Approval of treasury policies including foreign currency exposure and the use of financial derivatives.   | <i>Board</i>                                    |
| 3.7  | Review of the absolute level of indebtedness of the Group.  | <i>Board</i>                                    |
| 3.8  | Incurring of any external debt above the limits delegated to the Executive Directors.   | <i>Board</i>                                    |
| 3.9  | Give any financial guarantees above the limits delegated to the Executive Directors.  | <i>Board</i>                                    |
| 3.10 | Approval of material or unbudgeted expenditure above the limits delegated to the Executive Directors.   | <i>Board</i>                                    |

**4. RISK MANAGEMENT AND INTERNAL CONTROLS**

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| 4.1 | Maintain a sound system of internal control and risk management including: <ul style="list-style-type: none"><li>receiving reports on, and reviewing the effectiveness of,</li></ul> | <i>Audit</i> |
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	the Group's risk and control processes to support its strategy and objectives;	
	<ul style="list-style-type: none"><li>• undertaking an annual assessment of these processes;</li><li>• approving an appropriate statement for inclusion in the Annual Report.</li></ul>	
4.2	Review of the principal and emerging risks, and related controls and mitigating actions.	<i>Board</i>
4.3	Approval of the appropriate statement for inclusion in the Annual Report, which provides a description of the principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are managed or mitigated, following recommendation from the Audit Committee.	<i>Board</i>
4.4	Assessing following recommendation from the Audit Committee, the going concern statement and the long term viability of the Group for inclusion in the Annual Report.	<i>Board</i>
<b>5.</b>	<b>CAPITAL EXPENDITURE</b>	
5.1	Authorise capital expenditure above the limits delegated to the Executive Directors.	<i>Board</i>
5.2	Authorise the disposal of any fixed assets where the loss on disposal (or the disposal value) above the limits delegated to the Executive Directors.	<i>Board</i>
<b>6.</b>	<b>CONTRACTS</b>	
6.1	Enter into, amend or terminate any material <sup>1</sup> contract.	<i>Board</i>
6.2	Enter into any joint venture or partnership, or acquire any company.	<i>Board</i>
6.3	Enter into any material <sup>1</sup> in-licensing or product line acquisitions or co-commercialisation agreements.	<i>Board</i>
6.4	Enter into any material <sup>1</sup> agreement to sell or licence the Group's trademarks or other intellectual property.	<i>Board</i>
<b>7.</b>	<b>ENGAGEMENT WITH SHAREHOLDERS, EMPLOYEES AND STAKEHOLDERS</b>	
7.1	Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.	<i>Board</i>
7.2	Approval of all circulars, prospectuses and listing particulars.	<i>Board</i>
7.3	Approval of all price sensitive information required to be disclosed to the public by reason of legislation or regulatory	<i>Board</i>

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	requirements (including but not limited to the UKLA DTR and LR).	
7.4	The Chief Executive Officer and Chief Financial Officer are authorised, within the bounds of the LR and DTRs to <ul style="list-style-type: none"><li>• discuss strategy, acquisitions, divestments and financial performance with institutions, analysts and banks;</li><li>• conduct interviews with all media regarding strategy and financial performance.</li></ul> <p>Such discussions are to be summarised as necessary for the Board and at least every six months.</p>	<i>Board</i>
7.5	Approval of the workforce engagement framework	<i>Board</i>
7.6	Review the How to Raise a Concern policy, procedure and reports arising from its operation.	<i>Board</i>
<b>8.</b>	<b>BOARD MEMBERSHIP AND OTHER APPOINTMENTS</b>	
8.1	Changes to the structure, size and composition of the Board following recommendations from the Nomination Committee.	<i>Nomination</i>
8.2	Arrange for adequate succession planning for the Board and senior management.	<i>Nomination</i>
8.3	Appointments to the Board, following recommendations by the Nomination Committee.	<i>Board</i>
8.4	Selection of the Chairman of the Board and the Chief Executive Officer.	<i>Nomination</i>
8.5	Appointment of the senior independent director.	<i>Nomination</i>
8.6	Membership and chairmanship of board committees.	<i>Nomination</i>
8.7	Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the Annual General Meeting and otherwise as appropriate.	<i>Nomination</i>
8.8	Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.	<i>Nomination</i>
8.9	Appointment or removal of the Company Secretary	<i>Board</i>
8.10	Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee.	<i>Board</i>
8.11	The Chief Executive Officer or Chief Financial Officer are authorised to make appointments and removals to boards of subsidiaries.	<i>Board</i>

**9. REMUNERATION**

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| 9.1 | Determining the remuneration policy and setting the remuneration for the Company's Chairman, Executive Directors, and senior management (including the Company Secretary). | <i>Remuneration</i> |
| 9.2 | Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.                               | <i>Board</i>        |
| 9.3 | The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.  | <i>Remuneration</i> |

**10. DELEGATION OF AUTHORITY**

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| 10.1 | The division of responsibilities between the Chairman, the Chief Executive Officer and the Senior Independent Director. | <i>Board</i> |
| 10.2 | Approval of terms of reference of Board Committees (and subsequent amendments).   | <i>Board</i> |
| 10.3 | Receiving reports from Board Committees on their activities.  | <i>Board</i> |
| 10.4 | Approval of delegated levels of authority policy and related limits.  | <i>Board</i> |

**11. CORPORATE GOVERNANCE MATTERS**

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| 11.1 | Undertaking a formal and rigorous review of its own performance, that of its committees and individual directors.                   | <i>Board</i> |
| 11.2 | Determining the independence of non-executive directors.  | <i>Board</i> |
| 11.3 | Considering the balance of interests between shareholders, employees, customers and the community.                                  | <i>Board</i> |
| 11.4 | Review of the Group's overall corporate governance arrangements.  | <i>Board</i> |
| 11.5 | Receiving reports on the views of the Company's shareholders, workforce and other stakeholders.                                     | <i>Board</i> |
| 11.6 | Authorising conflicts of interest of the directors and receiving reports of the conflicts of interest of the Senior Executive Team. | <i>Board</i> |

**12. POLICIES**

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| 12.1 | Approval of Group policies | <i>Board</i> |
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**13. OTHER**

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| 13.1 | The making of political donations, subject to shareholder approval being in place. | <i>Board</i> |
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| 13.2 | Approval of the appointment of the Group's principal professional advisers.  | <i>Board</i> |
| 13.3 | Initiate, withdraw, terminate, compromise or settle any uninsured litigation, dispute to claim where the value of the claim above the limits in the Delegation of Authority Policy.        | <i>Board</i> |
| 13.4 | Approval of the overall levels of insurance for the Group including directors' & officers' liability insurance and indemnification of directors.   | <i>Board</i> |
| 13.5 | This schedule of matters reserved for Board decisions.   | <i>Board</i> |
| 13.6 | Any decision likely to have a material <sup>1</sup> impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational. | <i>Board</i> |