

SYNCONA LIMITED (the Company)
REMUNERATION COMMITTEE TERMS OF REFERENCE
updated by the board of directors on 12 March 2020

1. BACKGROUND

The Board of Directors of the Company (the *Board*) has resolved to establish a Remuneration Committee (the *Committee*).

2. DUTIES OF THE COMMITTEE

2.1 The Committee shall:

- (a) Have responsibility for determining the remuneration of the Chair of the Board and for making recommendations to the Board on the remuneration of the other non-executive directors, in each case within the limits set in the Articles of Association. No director shall be involved in any decisions as to their own remuneration, provided that this shall not prevent a director from being involved in making recommendations on or deciding the level of remuneration to be paid to non-executive directors generally or to non-executive directors carrying out particular additional Board responsibilities.
- (b) Review the operation of, approve awards made under, approve the issue of the Company's shares on realisation of awards under, and exercise independent judgement and any other discretions or make any necessary determinations relating to, the Syncona Long Term Incentive Plan operated for the benefit of employees of SIML.
- (c) Recommend and monitor the level and structure of the current, and any proposed alternative, long term incentive scheme provided for the benefit of employees of SIML, as part of the overall SIML remuneration policy.

The objective shall be to attract, retain and motivate employees of SIML of the quality required to properly manage the Company's investments without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long strategic term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term sustainable success of the Company, giving consideration to the requirements of the UK Corporate Governance Code July 2018 as may be amended or replaced from time to time (the *Code*) for clarity, simplicity, risk management, predictability, proportionality and alignment to culture.

- (d) Review the overall employee cost contained within the annual budget of SIML.
- (e) Review the on-going appropriateness and relevance of the Company's remuneration policy (which addresses the remuneration of the directors) each year, and submit it for approval by the board and shareholders every three years, or more often if there is a change to the policy, if shareholder approval was not obtained when last submitted or if shareholder approval was not achieved on the last submitted annual remuneration report.
- (f) Keep abreast of external remuneration trends and market conditions.
- (g) Have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board. The Committee

should however avoid making its determinations on remuneration or policies based solely on benchmarking to the market or on the advice of remuneration consultants.

- (h) Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- (i) Agree the policy for authorising claims for expenses from the directors.
- (j) Work and liaise as necessary with all other board committees.
- (k) Ensure, through the Chairman of the Board, that the Company maintains contact as required with its principal shareholders about remuneration.

3. COMPOSITION

3.1 Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the chair of the Committee. The Committee shall be made up of at least three members, all of whom shall be independent directors of the Company. The Chair of the Board may also serve on the committee if he or she was considered independent on appointment as chair but may not chair the Committee.

3.2 The Board shall appoint the chair of the Committee who shall be an independent director and who should have served on a remuneration committee for at least 12 months. In the absence of the Committee chair and/or an appointed deputy, the remaining members present shall elect one of the independent directors to chair the meeting.

3.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of such meetings.

3.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three-years, provided the director still meets the criteria for membership of the committee.

4. QUORUM

4.1 The quorum necessary for the transaction of business shall be two members.

4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. MEETING ADMINISTRATION

5.1 The Committee shall meet at least twice a year and otherwise as required.

5.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair or any of the members.

5.3 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and dial-in details (if required) together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other directors as soon as practicable and in any event, no later than two working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. SECRETARY

6.1 The company secretary or such person as the company secretary nominates shall act as the secretary of the Committee.

6.2 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

6.3 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

6.4 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

7. REPORTING RESPONSIBILITIES

7.1 The Committee chair shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities.

7.2 The Committee shall make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is desirable.

7.3 The Committee shall make a statement in the annual report describing the work of the committee in line with the requirements of the Code and any other legal requirements, and ensure that each year it is put to shareholders for approval at the AGM. If the Committee has appointed remuneration consultants, they should be identified in the annual report alongside a statement about any other connection they have with the Company or individual directors.

7.4 The Committee chair shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities. In addition, the Committee chair should seek engagement with shareholders on significant matters related to the Committee's area of responsibility, in particular where a significant proportion of votes have been cast by shareholders against a resolution to approve the annual remuneration report or directors' remuneration policy or other remuneration-related matter.

8. OTHER MATTERS

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (c) give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes including but not limited to the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, as appropriate; and
- (d) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

9. AUTHORITY

The Committee is authorised by the Board to:

- (a) undertake any activity within its terms of reference;
- (b) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend at meetings of the Committee; and
- (c) delegate any of its duties to one or more of its members or the secretary.