Terms of Reference: Remuneration Committee

This guidance reflects on the requirements of the UK Corporate Governance Code, published September 2012 (the Code) and draws on the experience of company secretaries and is based on best practice as carried out in some of the UK’s largest listed companies.

References to "the Committee" shall mean the Audit Committee.

References to "the Board" shall mean the Board of Directors.

References to "the Company" shall mean Advanced Oncotherapy plc

1. **Membership**

   1.1 Members of the Committee shall be appointed by the Board in consultation with the Chairman of the Remuneration Committee. The Committee shall be made up of at least three members, two of whom are considered independent non-executive directors.

   1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting as and when appropriate but shall not be present when their own remuneration is being discussed.

   1.3 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 remains independent.

   1.4 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.

2. **Secretary**

   2.1 The company secretary or their nominee shall act as the Secretary of the Committee.

3. **Quorum**

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

4. **Meetings**

   4.1 The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require. Envisaged programme is: April, September and December.

5. **Notice of Meetings**
5.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than 5 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. Minutes of Meetings

6.1 The Secretary (or other nominated person) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

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

7. Annual General Meeting

7.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities or nominate another member of the Committee to attend in his place.

8. Duties

The Committee shall:

8.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman, the executive directors, the company secretary and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the Chairman and the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration;

8.2 in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;

8.3 review the ongoing appropriateness and relevance of the remuneration policy;

8.4 approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;

8.5 review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used;

8.6 determine the policy for, and scope of, pension arrangements for each executive director and other senior executives;
8.7 review the terms of any service contracts on a periodic basis against developments in market practice and to approve any payments due on a termination of a senior executive;

8.8 within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, determine the total individual remuneration package of each executive director and other senior executives including bonuses, incentive payments and share options or other share awards;

8.9 in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and the UK Listing Authority's Listing Rules and associated guidance;

8.10 review and note annually the remuneration trends across the Company or group;

8.11 oversee any major changes in employee benefits structures throughout the Company or group;

8.12 agree the policy for authorising claims for expenses from the Chief Executive, other executive directors and Chairman;

8.13 ensure that all provisions regarding disclosure of remuneration including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013 are fulfilled;

8.14 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee; and

8.15 obtain reliable, up-to-date information about remuneration in other companies. To help fulfil its obligations the Committee shall have full authority to appoint remuneration consultants, commission any reports or surveys which it deems necessary or helpful to fulfil its obligations.

9. Remuneration Policy, Service Contracts and Compensation

9.1 The Committee shall have regard to the need to attract, retain and motivate executives of the quality required to run the Company but should seek to avoid paying more than is necessary for this purpose.

9.2 The Committee shall judge where to position the Company relative to other companies.

9.3 The Committee should be cognisant of pay and employment conditions elsewhere in the group, especially when determining annual salary increases.

9.4 The performance-related elements of remuneration should form a significant proportion of the total remuneration package of executive directors and should, in the view of the Committee, be designed to align the interests of directors and shareholders and to give directors keen incentives to perform at the highest levels.

9.5 The Committee should consider whether executives should be eligible for annual bonuses and, if so, on what basis.

9.6 The Committee should consider whether the directors should be eligible for benefits under long-term incentive schemes and the terms of any grants.
9.7 In general, only basic salary should be pensionable.

10. Reporting Responsibilities

10.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10.3 The Committee shall make these terms of reference available on the Company's website.

10.4 Through the Chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

11. Other

The Committee shall:

11.1 at least once a year, review its own performance, 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;

11.2 have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required; and

11.3 be provided with appropriate and timely training, both in the form of an induction programme for new members and on-going basis for all members.

12. Authority

12.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

12.2 In connection with its duties the Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice.

Approved by the Board 25 April 2016