

**RENEURON GROUP PLC**

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**CORPORATE GOVERNANCE POLICIES**

**NOVEMBER 2013**

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**COVINGTON**  

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**COVINGTON & BURLING LLP**

# CORPORATE GOVERNANCE POLICY

## INTRODUCTION AND BACKGROUND TO THE POLICIES

ReNeuron's corporate governance policy as set out herein is based on the UK Corporate Governance Code (the "Code") (formerly, the Combined Code). The Code does not apply to AIM companies, however it has been used as a point of reference in formulating our approach to corporate governance matters and the policies, which have been approved by the Board, and which are set out as Schedules to this document. The Board has been advised on these matters by its lawyers, Covington & Burling.

### 1. COMPOSITION OF THE BOARD

#### 1.1 Board composition

The composition of the Company's Board and its committees as at the date of this Memorandum is as follows:

##### (A) Board

(1) Executive directors:

Michael Hunt  
Dr. John Sinden

(2) Non-executive directors:

Independent:

Bryan Morton (Chair)  
John Berriman  
Simon Cartmell  
Dr. Tim Corn

Not independent:

Mark Docherty  
Dr. Paul Harper  
Sir Chris Evans

##### (B) Board committees

(1) Audit Committee: John Berriman (Chair), Dr. Paul Harper, and Mark Docherty.

(2) Remuneration Committee: Simon Cartmell (Chair), John Berriman, and Bryan Morton.

- (3) Nomination and Corporate Governance Committee: Bryan Morton (Chair), John Berriman, Simon Cartmell and Dr. Paul Harper.

## 2. **TERMS OF REFERENCE FOR BOARD COMMITTEES**

Schedules 1 to 3 of this memorandum contain Terms of Reference for the Audit, Nomination and Remuneration Committees respectively; which substantially reflect the Code subject to some modification appropriate for the Company (for example, the Company does not currently operate an internal audit process). These Terms of Reference are attached.

The Board remains vigilant on an on-going basis as to the continued suitability of these Terms of Reference and as to whether any additional provisions are required.

## 3. **MATTERS RESERVED TO THE BOARD**

According to best practice decisions relating to matters of importance to a company are reserved to the Board. This is a recommendation of both the Code and the QCA Guidelines. In July 2013, the Institute of Chartered Secretaries and Administrators (“**ICSA**”) issued a list of such matters by way of guidance. Having regard to the guidance of ICSA Schedule 4 sets out a list of matters reserved for Board approval. Where matters are marked ‘\*’, decisions are not delegated.

Whilst it is desirable for the full Board (or a quorate designated committee) to consider all material issues, it is recognised that urgency may dictate that this is not possible. In reserving matters for the attention of the Board, procedures should be set out which address such circumstances. The most appropriate solution is to hold a telephone/video conference meeting with as many directors attending as possible. This allows directors the opportunity to discuss the matters and ask questions. Any director who cannot attend should still be sent the relevant papers and have the opportunity to give their views to the Chairman, another director or the company secretary before the meeting. Where the matter is routine, a written resolution from Board members will suffice where a Board meeting is not possible. Any Board member should be permitted to call an emergency Board meeting should this be considered necessary. It is important to ensure that, whatever the circumstances, all of the directors are as fully informed as possible about all matters materially affecting the Company.

## 4. **CONFLICT OF INTEREST POLICY**

It is considered essential to have a robust policy setting out procedures relating to the approval and monitoring of ‘related party’ transactions. This is in addition to the general obligations which directors have to declare interests and conflicts to the Board. Reference to this is made in the attached draft Terms of Reference for the Audit Committee (paragraphs 10.1(B)(6) and (7)). The Audit Committee plays a key role in approving and monitoring the conduct of such transactions, and should require follow-up reports on a regular basis.

## 5. **SHARE DEALING CODE**

Rule 21 of the rules for AIM Companies published by the London Stock Exchange plc (the “**AIM Rules**”) provides that an AIM company must ensure its directors and applicable employees do not deal in any of the Company’s AIM securities during a “close period”. The only general exception to this rule is where the individual has entered into a binding commitment prior to the AIM company being in such a close period, where it was not reasonably foreseeable at the time the commitment was made that a close period was likely

(provided the commitment was notified to a Regulatory Information Service at the time it was made). In addition, the London Stock Exchange may permit a director or applicable employee of an AIM company to sell his or her AIM securities during a close period to alleviate severe personal hardship (such as the urgent need for a medical operation or to satisfy a court order where no other funds are available).

While the AIM Rules do not require directors and certain employees to adopt and comply with a code of dealing, compliance with the general restrictions discussed above are best facilitated by the adoption by the Company of a share dealing code to govern dealings by its directors, certain employees and their respective connected persons (including members of their families). Schedule 5 contains a Share Dealing Code which is analogous in a number of respects to the Model Code, the standard which listed companies are obliged to meet by Annex 1 to Chapter 9 of the Listing Rules published by the FSA (the “**Listing Rules**”), modified to take into account the requirements of the AIM Rules. Its purpose is to ensure that directors, certain employees and their respective connected persons (including members of their families) do not abuse, and do not place themselves under suspicion of abusing, unpublished price-sensitive information, especially in periods leading up to an announcement of the Company’s results. It is also important that appropriate procedures be put in place and that all relevant staff be advised of the requirement to notify and obtain approval for any proposed share dealing and the method by which this should be done.

#### 6. **BIA GUIDANCE**

The Best Practice Guidance on Financial and Corporate Communications published in September 2006 by the BioIndustry Association (“**BIA Guidance**”) is mainly concerned with how biotech companies publish and communicate information, particularly in relation to the development and commercialisation of products, technologies and services. The BIA Guidance consists of statements of best practices and applies to bioscience companies that are members of the BioIndustry Association. All bioscience companies which are members will be expected to comply with all relevant provisions of the BIA Guidance. Bioscience companies which have expressed an intention to list or publicly trade their shares or other securities should also comply with the BIA Guidance. A copy of the BIA Guidance can be provided on request.

#### 7. **WHISTLE BLOWING POLICY**

A copy of the policy can be found at Schedule 6 of this Memorandum.

## **SCHEDULE 1**

### **RENEURON GROUP PLC**

#### **AUDIT COMMITTEE**

#### **TERMS OF REFERENCE**

**(as approved by the Board of Directors of the Company on 13<sup>th</sup> November 2013)**

#### **Definitions:**

<b>“the Board”</b>	the board of directors of the Company
<b>“the Committee”</b>	the audit committee of the Board
<b>“the Company”</b>	ReNeuron Group plc

#### **1. CONSTITUTION**

The Committee shall be a committee of the Board within Article 157.1.2 of the Articles of Association of the Company.

#### **2. MEMBERSHIP**

- 2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Corporate Governance Committee in consultation with the chairman of the Audit Committee. The Committee shall be made up of at least three members.
- 2.2 All members of the Committee shall be non-executive directors at least one of whom shall have recent and relevant financial experience. The Chairman of the Board shall not be a member of the Committee.
- 2.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals (such as the Chairman of the Board, chief executive, finance director, other directors, the heads of risk, compliance and internal audit and representatives from the finance function) may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 2.4 The external auditors may be required to attend Committee meetings, but not generally in the presence of any of the executive directors of the Company, with a view to consulting with the Committee.
- 2.5 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 that the director is, at the time of the extension (and remains thereafter), independent.

2.6 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.

3. **SECRETARY**

The company secretary or his nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consultation to be given to all issues.

4. **QUORUM**

The quorum necessary for the transaction of business shall be two members. 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. **FREQUENCY OF MEETINGS**

The Committee shall meet at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.

6. **NOTICE OF MEETINGS**

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary.

6.2 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 five 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.

7. **VOTING**

7.1 Matters arising at any meeting of the Committee shall be decided by a majority of votes.

7.2 Each member of the Committee present at a meeting of the Committee shall have one vote on matters arising at the meeting. Save where he or she has a personal interest, the chairman of the Committee shall have a casting vote on any matter in respect of which there is equality of votes.

7.3 A member of the Committee shall not vote in respect of any matter being considered by the Committee in which he has, directly or indirectly, a personal interest and shall not be counted in the quorum at a meeting in relation to any matter on which he is debarred from voting.

8. **MINUTES OF MEETINGS**

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

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

8.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once finalised and agreed, the minutes shall be circulated to all members of the Board, unless a conflict of interest exists or it would be inappropriate to do so in the opinion of the Committee chairman.

## 9. **ANNUAL GENERAL MEETING**

The chairman of the Committee shall attend each Annual General Meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

## 10. **DUTIES**

The Committee should carry out the duties below for the Company, major subsidiary undertakings and the group as a whole, as appropriate.

### 10.1 **Financial reporting**

(A) The Committee shall monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim management statements, preliminary results' announcements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain. The Committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

(B) The Committee shall review and challenge where necessary:

- (1) the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company and its group;
- (2) the methods used to account for significant or unusual transactions where different approaches are possible;
- (3) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- (4) the clarity of disclosure in the Company's financial reports and the context in which statements are made;
- (5) all material information presented with the financial statements, such as the business review/operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management);
- (6) any material financial or non-financial arrangements which do not appear in the financial statements; and
- (7) any transactions or courses of dealing with directors, employees and shareholders of the Company and persons connected with them which are significant in size or which involve terms or other aspects that differ from those which would be likely to be negotiated with independent parties.

- (C) The Committee shall review the annual financial statements of the pension funds (if any) where not reviewed by the Board as a whole.
- (D) If the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.
- (E) Where requested by the Board, the Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

#### 10.2 **Internal controls and risk management systems**

The Committee shall:

- (A) keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems; and
- (B) review and approve the statements to be included in the annual report concerning internal controls and risk management.

#### 10.3 **Whistleblowing and fraud**

The Committee shall:

- (A) monitor and review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and effective independent investigation of such matters and appropriate follow up action;
- (B) review the Company's procedures for detecting fraud; and
- (C) review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance.

#### 10.4 **Internal audit**

The Committee shall review (at least annually) the desirability of the adoption by the Company of formal internal audit processes and, if the Committee determines that such processes are desirable, it shall recommend to the Board what processes should be adopted and how such policies should be monitored.

#### 10.5 **External Audit**

The Committee shall:

- (A) consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;



- (B) ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and oversee the selection process and further ensure that all tendering firms have such access as is necessary to information and individuals during the tendering process;
- (C) oversee the relationship with the external auditor including (but not limited to):
  - (1) recommendations on their remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an effective and high quality adequate audit to be conducted;
  - (2) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
  - (3) assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
  - (4) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditors' independence and objectivity;
  - (5) agreeing with the Board a policy on the employment of former employees of the Company's auditor, then monitoring the implementation of this policy;
  - (6) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
  - (7) assessing annually their qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures;
  - (8) seeking to ensure co-ordination with the activities of the internal audit function; and
  - (9) evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of their auditor from the market in that evaluation;
- (D) meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present, to discuss their remit and any issues arising from the audit;
- (E) review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;

- (F) review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
  - (1) a discussion of any major issues which arose during the audit;
  - (2) any accounting and audit judgements;
  - (3) levels of errors identified during the audit; and
  - (4) the effectiveness of the audit; and
- (G) the Committee shall also:
  - (1) review any representation letter(s) requested by the external auditor before they are signed by management;
  - (2) review the management letter and management's response to the auditor's findings and recommendations; and
  - (3) develop and implement a policy on the supply of non-audit services by the external auditor to avoid any threat to objectivity and independence, taking into account any relevant ethical guidance on the matter.

#### 10.6 Reporting responsibilities

- (A) The Committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. The report shall include
  - (1) the significant issues that it had considered in relation to the financial statements and how these were addressed; and
  - (2) the assessment of the effectiveness of the external audit process and its recommendations on the appointment/reappointment of the external auditor;
- (B) The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- (C) The Committee shall produce a report to shareholders on its activities to be included in the Company's annual report. The report shall include an explanation of how the Committee has addressed the effectiveness of the external audit process, the significant issues that the Committee considered in relation to financial statements and how these issues were addressed having regard to matters communicated to it by the auditor.

#### 10.7 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 and regulations and the provisions of the UK Corporate Governance Code, the QCA Corporate Governance Code for Small and Mid-size Quoted Companies 2013, the NAPF Corporate Governance Policy and Voting Guidelines for Smaller Companies and the AIM Rules for Companies and any other applicable rules, as appropriate;
- (D) be responsible for co-ordination of the internal and external auditors;
- (E) oversee any investigation of activities which are within its terms of reference;
- (F) arrange for periodic review 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; and
- (G) consider such other matters as may be requested by the Board.

#### 11. **AUTHORITY**

The Committee is authorised:

- (A) to examine any activity within its terms of reference and to have unrestricted access to the Company's external auditors;
- (B) to seek any information it requires from any director or employee of the Company in order to perform its duties;
- (C) to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;
- (D) to call any employee to be questioned at a meeting of the Committee as and when required; and
- (E) to have the right to publish in the Company's Annual Report details of any issues that cannot be resolved between the Committee and the Board.

## **SCHEDULE 2**

### **RENEURON GROUP PLC**

#### **NOMINATION AND CORPORATE GOVERNANCE COMMITTEE**

##### **TERMS OF REFERENCE**

**(as approved by the Board of Directors of the Company on 13<sup>th</sup> November 2013)**

##### **Definitions:**

<b>“the Board”</b>	the board of directors of the Company
<b>“the Committee”</b>	the nomination and corporate governance committee of the Board
<b>“the Company”</b>	ReNeuron Group plc

#### **1. CONSTITUTION**

The Committee shall be a committee of the Board within Article 157.1.2 of the Articles of Association of the Company.

#### **2. MEMBERSHIP**

2.1 The Committee shall comprise at least three directors. A majority of the members of the Committee shall be independent non-executive directors. All appointments to the Committee shall be made by the Board.

2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals (such as the chief executive, the head of human resources and external advisers) may be invited to attend for all or part of any meeting, as and when appropriate.

2.3 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 that the director still meets the criteria for membership of the Committee.

2.4 The Board shall appoint the Committee chairman who should be either the Chairman of the Board or 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 their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

#### **3. SECRETARY**

The company secretary or his or her nominee shall act as the secretary of the Committee.

#### **4. QUORUM**

The quorum necessary for the transaction of business at meetings of the Committee shall be two both of whom must be independent non-executive directors. 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. FREQUENCY OF MEETINGS**

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

5.2 Other directors and external advisers may be invited to attend all or part of any meeting as and when appropriate.

## **6. NOTICE OF MEETINGS**

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.

6.2 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 five 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.

## **7. VOTING**

7.1 Matters arising at any meeting of the Committee shall be decided by a majority of votes.

7.2 Each member of the Committee present at a meeting of the Committee shall have one vote on matters arising at the meeting. Save where he or she has a personal interest, the chairman of the Committee shall have a casting vote on any matter in respect of which there is equality of votes.

7.3 A member of the Committee shall not vote in respect of any matter being considered by the Committee in which he has, directly or indirectly, a personal interest and shall not be counted in the quorum at a meeting in relation to any matter on which he is debarred from voting.

## **8. MINUTES OF MEETINGS**

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

8.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once finalised and agreed, shall be circulated to all other members of the Board, unless a conflict of interest exists or it would be inappropriate to do so.

## **9. ANNUAL GENERAL MEETING**

The Committee chairman shall attend each Annual General Meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

## **10. DUTIES**

10.1 The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

10.2 The Committee shall:

- (A) regularly review the structure, size and composition (including the skills knowledge, experience and diversity) required of the Board and make recommendations to the Board with regard to any changes;
- (B) give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- (C) keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- (D) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (E) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise with due respect for the diversity on the Board, including gender;
- (F) before any appointment is made by the Board, evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - (1) use open advertising or the services of external advisers to facilitate the search;
  - (2) consider candidates from a wide range of backgrounds; and
  - (3) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- (G) for the appointment of the Chairman of the Board, prepare a job specification, including an assessment of the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the chairman's commitments should be reported to the Board as they arise;
- (H) prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- (I) ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;

- (J) review the results of Board performance evaluation process that relate to the composition of the Board;
- (K) review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- (L) work and liaise as necessary with other Board committees; and
- (M) be responsible for monitoring the Company's compliance applicable laws, regulations and guidance concerning corporate governance (including the Code, the QCA Guidelines, and the AIM Rules for Companies) and shall make timely recommendation to the Board as to the adoption of (or changes to) corporate governance policies or practices by the Company appropriate to the Company's circumstances; and
- (N) 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 in general.

10.3 The Committee shall also consider and make recommendations to the Board concerning:

- (A) formulate plans for succession for both executive and non-executive directors and, in particular, for the key roles of Chairman and chief executive;
- (B) suitable candidates for the role of senior independent director;
- (C) membership of the audit and remuneration Committees, and any other Board committees as appropriate, in consultation with the chairmen of those Committees;
- (D) the re-appointment of any non-executive director at the conclusion of their specified term of office, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- (E) the re-election by shareholders of any director under the "retirement by rotation" provisions in the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
- (F) any matters relating to the 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 provisions of the law and their service contract;
- (G) the appointment of any director to executive or other office; and
- (H) to consider such other matters as may be requested by the Board.

## 11. **REPORTING RESPONSIBILITIES**

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

- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Committee shall produce a report to be included in the Company's Annual Report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company. The report should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy and progress on achieving objectives.

## 12. **OTHER**

The committee shall:

- 12.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 12.2 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;
- 12.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, the QCA Corporate Governance Code for Small and Mid-size Quoted Companies 2013, the NAPF Corporate Governance Policy and Voting Guidelines for Smaller Companies and the requirements of the AIM Rules for Companies and any other applicable rules, as appropriate; and
- 12.4 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.

## 13. **AUTHORITY**

The Committee is authorised by the Board:

- (A) to examine activity within its terms of reference;
- (B) to seek any information it requires from any director or employee of the Company in order to perform its duties; and
- (C) to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.



**SCHEDULE 3**  
**RENEURON GROUP PLC**  
**REMUNERATION COMMITTEE**  
**TERMS OF REFERENCE**

(as approved by the Board of Directors of the Company on 13<sup>th</sup> November 2013)

**Definitions:**

“the Board”	the board of directors of the Company
“the Committee”	the remuneration committee of the Board
“the Company”	ReNeuron Group plc

1.

2. **CONSTITUTION**

The Committee shall be a committee of the Board within Article 157.1.2 of the Articles of Association of the Company.

3. **MEMBERSHIP**

3.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Corporate Governance Committee and in consultation with the chairman of the Remuneration Committee. The Committee shall be made up of at least three members, all of whom shall be independent non-executive directors. The Chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman.

3.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals (such as the chief executive, the head of human resources and external advisers) may be invited to attend for all or part of any meeting as and when appropriate.

3.3 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 still meets the criteria for membership of the Committee.

3.4 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.

4. **SECRETARY**

The company secretary or his or her nominee shall act as the secretary of the Committee.

## 5. **QUORUM**

The quorum necessary for the transaction of business at meetings of the Committee shall be two members. 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.

## 6. **MEETINGS**

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

6.2 Other directors and external advisers may be invited to attend all or any part of any meeting as and when appropriate.

## 7. **NOTICE OF MEETINGS**

7.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.

7.2 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 five 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.

## 8. **VOTING**

8.1 Matters arising at any meeting of the Committee shall be decided by a majority of votes.

8.2 Each member of the Committee present at a meeting of the Committee shall have one vote on matters arising at the meeting. Save where he or she has a personal interest, the chairman of the Committee shall have a casting vote on any matter in respect of which there is equality of votes.

8.3 A member of the Committee shall not vote in respect of any matter being considered by the Committee in which he has, directly or indirectly, a personal interest and shall not be counted in the quorum at a meeting in relation to any matter on which he is debarred from voting.

## 9. **MINUTES OF MEETINGS**

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

9.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes shall be circulated to other members of the Board, unless a conflict of interest exists or it would be inappropriate to do so.

## 10. **ANNUAL GENERAL MEETING**

The chairman of the Committee shall attend each Annual General Meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

## 11. DUTIES

### 11.1 The Committee shall:

- (A) 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;
- (B) in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations in the UK Corporate Governance Code, the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies 2013, the NAPF Corporate Governance Policy and Voting Guidelines for Smaller Companies and associated guidance. 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;
- (C) when setting remuneration policy for directors review and have regard to the remuneration trends across the Company or group;
- (D) review the ongoing appropriateness and relevance of the remuneration policy;
- (E) 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;
- (F) review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- (G) 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;
- (H) determine the policy for, and scope of, pension arrangements for each executive director and other senior executives;
- (I) ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- (J) 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. In particular, as part of any performance related bonus or other incentivisation arrangement, the Committee shall be responsible for establishing suitable performance targets;

- (K) in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the QCA Corporate Governance Code for Small and Mid-size Quoted Companies 2013, the NAPF Corporate Governance Policy and Voting Guidelines for Smaller Companies the UK Corporate Governance Code and associated guidance;
- (L) monitoring the performance of the chief executive officer and other senior executives and, in particular, assessing actual performance against any performance targets linked to bonus or other incentivisation arrangements;
- (M) review and note annually the remuneration trends across the Company or group and when setting remuneration policy for directors;
- (N) oversee any major changes in employee benefits structures throughout the Company or group;
- (O) agree the policy for authorising claims for expenses from the directors;
- (P) ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- (Q) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- (R) obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to appoint remuneration consultants and to commission any reports, surveys or information which it deems necessary to help it fulfil its obligations within any budgeting constraints imposed by the Board; and
- (S) consider such other matters as may be requested by the Board.

## 12. **REPORTING RESPONSIBILITIES**

- 12.1 The Committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 12.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 12.3 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's annual report and ensure each year that it is put to shareholders for approval at the annual general meeting.

## 13. **OTHER**

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 on-going basis for all members;
- (C) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, the QCA guidance, the AIM Rules and any other applicable rules, as appropriate; and
- (D) 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.

14. **AUTHORITY**

14.1 In connection with its duties, the Committee is authorised by the Board, at the Company's expense:

- (A) to examine any activity within its terms of reference;
- (B) to seek any information it requires from any director or employee of the Company in order to perform its duties;
- (C) to obtain, at the Company's expense, any outside legal or other professional advice on any matter within its terms of reference; and
- (D) within any budgetary restraints imposed by the Board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

## SCHEDULE 4

### SCHEDULE OF MATTERS RESERVED FOR THE BOARD

CA06 refers to the Companies Act 2006

Code refers to the UK Corporate Governance Code

GBE refers to the FRC Guidance on Board Effectiveness

References to Audit, Nomination or Remuneration refer to the Board Committee which will consider the item and make recommendations to the Board for its final decision.

<b>1.</b>	<b>Strategy and management</b>	
1.1	Responsibility for the overall leadership of the Company and setting the Company's values and standards.	Code A.1
1.2	Approval of the group's long-term objectives and commercial strategy.	Code A.1
1.3	Approval of the annual operating and capital expenditure budgets and any material changes to them.	
1.4	Oversight of the group's operations ensuring: <ul style="list-style-type: none"> <li>• competent and prudent management;</li> <li>• sound planning;</li> <li>• maintenance of sound management and internal control systems;</li> <li>• adequate accounting and other records; and</li> <li>• compliance with statutory and regulatory obligations.</li> </ul>	Code C.2
1.5	Review of performance in the light of the group's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.	Code B.6
1.6	Extension of the group's activities into new business or geographic areas.	
1.7	Any decision to cease to operate all or any material part of the group's business.	
<b>2.</b>	<b>Structure and capital</b>	
2.1	Changes relating to the group's capital structure including reduction of capital, shares issues (except under employee shares plans), share buy backs including the use of treasury shares.	
2.2	Major changes to the group's corporate structure, including, but not limited to acquisitions and disposals of shares which are material relative to the size of the group in question (taking in to account the initial and deferred consideration).	
2.3	Changes to the group's management and control structure.	
2.4	Any changes to the Company's AIM listing or its status as a plc.	
<b>3.</b>	<b>Financial reporting and controls</b>	
3.1	* Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results.	Code C.1 Audit

3.2	* Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report. <sup>1</sup>	CA06 s.414 s.421 Code C.1 Audit
3.3	* Approval of the dividend policy.	
3.4	* Declaration of the interim dividend and recommendation of the final dividend. <sup>11</sup>	
3.5	* Approval of any significant changes in accounting policies or practices.	Audit
3.6	Approval of treasury policies including foreign currency exposure and the use of financial derivatives.	
3.7	Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).	
4.	<b>Internal controls</b>	
4.1	Though the Audit Committee, evaluating the need for and, to the extent so required, approving the adoption of, appropriate systems of internal control and risk management.	
5.	<b>Contracts</b>	
5.1	Approval of major capital projects.	
5.2	Contracts which are material strategically or by reason of size, entered into by the Company or any subsidiary in the ordinary course of business.	
5.3	Contracts of the Company or any subsidiary not in the ordinary course of business.	
5.4	Major investments including the acquisition or disposal of interests of more than (3) per cent in the voting shares of any company or the making of any takeover offer.	DTR 5
6.	<b>Communication</b>	
6.1	Ensuring a satisfactory dialogue with shareholders based upon a mutual understanding of objectives.	Code E.1
6.2	Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.	
6.3	* Approval of all circulars, prospectuses and listing particulars.	Prospectus Rule 5.5
6.4	* Approval of press releases where the Company's Communications Policy would require that such press release be approved by the board.	
7.	<b>Board membership and other appointments</b>	
7.1	* Changes to the structure, size and composition of the Board, following recommendations from the Nomination and Corporate Governance Committee.	Code B.2 Nomination
7.2	* Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and on the Board..	Code B.2, B.7
7.3	* Appointments to the Board, following recommendations by the	Code B.2.1 Nomination

<sup>1</sup> These items are often considered by the whole Board but with the final formal decision being delegated to a committee (set up solely for that purpose). This allows time for any changes requested at the Board meeting to be incorporated into the final document before publication. The remuneration report is not compulsory for AIM companies.

	Nomination and Corporate Governance Committee.	
7.4	* Selection of the Chairman of the Board and the chief executive.	Nomination GBE 1.4 - 1.8, 1.12-1.17, 4.1 - 4.7
7.5	* Membership and chairmanship of Board Committees following recommendations from the Nomination and Corporate Governance Committee.	Nomination
7.6	* 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.	Nomination
7.7	* 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.	Nomination
7.8	* Appointment or removal of the company secretary.	CA 06 ss.270- 280 Code B.5.2 GBE 2.1 - 2.4
7.9	* Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in general meetings, following the recommendation of the Audit Committee.	CA06 ss. 489 and 491 Code C.3.2 Audit
7.10	Appointments to boards of subsidiaries.	
<b>8.</b>	<b>Remuneration</b>	
8.1	* Determining the remuneration policy for the directors, company secretary and other senior executives.	Code D.2 Remuneration
8.2	Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.	Code D.2.3
8.3	* The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.	Remuneration
<b>9.</b>	<b>Delegation of authority</b>	
9.1	* The division of responsibilities, and approval of the delegated levels of authority, as between directors and senior management.	
9.2	* Establishing Board Committees and approving their terms of reference, and approving material changes thereto.	Code B.2.1, C.3.1 and D.2.1
<b>10.</b>	<b>Corporate governance matters</b>	
10.1	* Through the Nomination and Corporate Governance Committee, undertaking a formal and rigorous annual review of the Board's own performance and that of its Committees.	
10.2	* Determining the independence of non-executive directors in light of their character, judgement and relationships.	Code B.1.1
10.3	* Considering the balance of interests between shareholders, employees, customers and the community.	CA06, s172
10.4	Review of the group's overall corporate governance arrangements.	
10.5	Authorising conflicts of interest where permitted by the Company's articles of association.	
<b>11.</b>	<b>Policies</b>	
11.1	Approval of policies, including (if applicable):	Code A.1



	<ul style="list-style-type: none"> <li>• code of conduct;</li> <li>• share dealing code;</li> <li>• anti-bribery policy;</li> <li>• whistleblowing policy;</li> <li>• health and safety policy;</li> <li>• environment and sustainability policy;</li> <li>• human resources policy;</li> <li>• communications policy;</li> <li>• corporate social responsibility policy; and</li> <li>• charitable donations policy.</li> </ul>	
<b>12.</b>	<b>Other</b>	
12.1	The making of political donations.	
12.2	Approval of the appointment of the group's principal professional advisers.	
12.3	Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism.	
12.4	Approval of the overall levels of insurance for the group including directors' & officers' liability insurance.	
12.5	Major changes to the rules of the group's pension scheme, or changes of trustees or changes in the fund management arrangements.	
12.6	Any decision likely to have a material impact on the Company or group from any prospective, including, but not limited to, financial, operational, strategic or reputational.	
12.7	This schedule of matters reserved for board decisions.	

Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees. In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the group.

**SCHEDULE 5**  
**RENEURON GROUP PLC**  
**(the “Company”)**  
**SHARE DEALING CODE FOR DIRECTORS AND APPLICABLE EMPLOYEES**  
**(as approved by the Board of Directors of the Company on 13<sup>th</sup> November 2013)**

**Introduction**

The freedom of directors and certain employees of AIM companies to deal in their company’s securities is restricted in a number of ways; by statute, by common law and by the rules for AIM companies issued by the London Stock Exchange plc (“**AIM Rules**”).

Rule 21 of the AIM Rules provides that an AIM company must ensure its directors and applicable employees do not deal in any of the company’s AIM securities during a “close period”. The only general exception to this rule is where the individual has entered into a, binding commitment prior to the AIM company being in such a close period, where it was not reasonably foreseeable at the time the commitment was made that a close period was likely (provided the commitment was notified to a Regulatory Information Service at the time it was made). In addition, the London Stock Exchange may permit a director or applicable employee of an AIM company to sell his AIM securities during a close period to alleviate severe personal hardship (such as the urgent need for a medical operation or to satisfy a court order where no other funds are available).

While the AIM Rules do not require directors and certain employees to adopt and comply with a code of dealing, compliance with the general restrictions discussed above will be best facilitated by the adoption by the Company of a share dealing code to govern dealings by its directors, certain employees and persons connected with them. The attached code is derived from the Model Code, the standard which listed companies are obliged to meet by Annex 1 to Listing Rule 9 of the Listing Rules, modified to take into account the requirements of the AIM Rules. Its purpose is to ensure that directors, certain employees and persons connected with them do not abuse, and do not place themselves under suspicion of abusing, unpublished price-sensitive information, especially in periods leading up to an announcement of the Company’s results.

Company directors, like other individuals, are prohibited from insider dealing by the Criminal Justice Act 1993. Under that Act it is a criminal offence for an individual who has information as an insider to deal on a regulated market, or through a professional intermediary, in securities whose price would be significantly affected if the inside information were made public. It is also an offence to encourage insider dealing and to disclose information with a view to others profiting from it. In addition, there are civil penalties under Part VIII of the Financial Services and Markets Act 2000 for committing, requiring or encouraging “market abuse”. Market abuse covers a wide range of prohibited behaviour and includes behaviour, such as dealing in the Company’s securities, which is based on relevant information which is not generally available to the market (such as inside information), and behaviour which is likely to create a false or misleading impression about the supply of, or demand for, or price or value of the Company’s securities or to distort the market in those securities.

**Procedure**

The code requires that a designated director authorise in advance all share transactions by directors and applicable employees. The Chairman of the Board has been appointed for this purpose.

- (i) Directors and applicable employees, wishing to deal in the Company’s shares, must obtain prior consent from the designated director, and may not deal without his prior written approval.

- (ii) Details of the proposed deal must be submitted to the designated director in the form attached.
- (iii) If approval of a transaction is not acted upon within 48 hours of receipt, further approval must be sought. If, between approval and dealing, a director or applicable employee becomes aware of new, unpublished price-sensitive information, he or she must not deal but instead, must refer the matter back to the designated director for further guidance.
- (iv) The designated director should be informed once the deal has taken place.
- (v) A record will be kept of all enquiries.

The Company may from time to time, at its discretion, grant general consent to deal for a limited period of time.

### Definitions

- 1 In this code the following definitions, in addition to those contained in the AIM Rules, apply unless the context otherwise requires:

“**AIM**” means the AIM Market of London Stock Exchange plc;

“**applicable employee**” means any employee of the Company or director or employee of a subsidiary undertaking or parent undertaking of the Company who, because of his office or employment in the Company or subsidiary undertaking or parent undertaking, is likely to be in possession of unpublished price-sensitive information in relation to the Company or who, together with his connected persons, has a holding or interest directly or indirectly in 0.5% or more of the Company’s securities;

the “**Company**” means ReNeuron Group plc;

“**connected person**” means any person connected with the director or applicable employee within the meaning of section 96B(2) of the Financial Services and Markets Act 2000, as amended;

“**close period**” means any of the periods when a director is prohibited from dealing as specified in paragraph 3 of this code;

“**deal**” means

- (a) any change whatsoever to the holding of AIM securities of the Company where the holder is a director of the Company or part of a director’s family or an applicable employee including:
  - (i) any sale or purchase, or any agreement for the sale of purchase of such securities;
  - (ii) the grant to, or acceptance by such person of any option relating to such securities or of any right or obligation, present or future, conditional or unconditional, to acquire or dispose of any such securities;
  - (iii) the acquisition, disposal, exercise or discharge of, or any dealing with, any such option, right or obligation in respect of such securities;

- (iv) deals between directors and/or applicable employees of the Company;
  - (v) off-market deals;
  - (vi) transfers for no consideration; and
  - (vii) any shares taken into or out of treasury;
- (b) the acquisition, disposal or discharge (whether in whole or in part) of a related financial product referenced to AIM securities of the Company of which the holder is a director or part of a director's family or an applicable employee.
- (c) However, the following are not included:
- (i) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
  - (ii) the take up of entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
  - (iii) allowing entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
  - (iv) the sale of sufficient entitlements nil-paid to allow take up of the balance of the entitlements under a rights issue; nor
  - (v) undertakings to accept, or the acceptance of, a takeover offer;

and "dealing" shall be construed accordingly;

**"family"** means in relation to any director, his or her spouse and any child where such child is under the age of eighteen years. It includes any trust in which such individuals are trustees or beneficiaries and any company over which they have control or more than 20% of its equity or voting rights (excluding treasury shares) in general meeting.

It excludes any employee share or pension scheme where such individuals are beneficiaries rather than trustees;

**"prohibited period"** means any period to which paragraph 6 of this code applies;

**"securities"** means any securities admitted to AIM or any securities that are convertible into such securities and, where relevant, securities which have been listed in a member state of the European Economic Area or admitted to dealing on, or have their prices quoted on or under the rules of, any regulated market, or any unlisted securities that are convertible into such securities;

**"unpublished price-sensitive information"** means information which:

- (i) relates to particular securities or to a particular issuer or to particular issuers of securities and not to securities generally or issuers of securities generally (and, for these purposes, information shall be treated as relating to an issuer of securities which is a company not only where it is about the company but also where it may affect the company's business prospects);

- (ii) is specific or precise;
- (iii) has not been made public within the meaning of section 58 of the Criminal Justice Act 1993; and
- (iv) if it were made public would be likely to have a significant effect in the price or value of any securities

and, without prejudice to the generality of the above, it should be considered whether any unpublished information regarding transactions required to be notified to a Regulatory Information Service in accordance with the AIM Rules and unpublished information of the kind referred to in the AIM Rules -set out below is price-sensitive:

- 11 general obligation of disclosure;
- 12, 13 and 14 substantial transactions, related party transactions and reverse takeovers;
- 17 disclosure of miscellaneous information;
- 18 and 19 half yearly reports and annual accounts; and

“**regulated market**” means any regulated market defined as such in the Insider Dealing (Securities and Regulated Markets) Order 1994, as amended or supplemented by any further order made under section 60(1) of the Criminal Justice Act 1993.

#### **Dealings by directors**

- 2 A director must not deal in any securities of the Company without obtaining clearance to deal in advance in accordance with paragraph 4 of this code.

#### **Dealing in close periods**

- 3 A director must not deal in any securities of the Company during a “close period”. A close period is:
  - (a) the period of two months immediately preceding the preliminary announcement of the Company’s annual results or, if shorter, the period from the relevant financial year end up to and including the time of the announcement; and
    - (i) if the Company reports on a half-yearly basis, the period of two months immediately preceding the publication of the half-yearly report or, if shorter, the period from the relevant financial period end up to and including the time of such publication; or
    - (ii) if the Company reports on a quarterly basis, the period of one month immediately preceding the announcement of the quarterly results or, if shorter, the period from the relevant financial period end up to and including the time of the announcement (save that for the final quarter paragraph 3(a) of this code applies).<sup>2</sup>

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<sup>2</sup> As at the date of this Memorandum it is not the policy of the Company to report on a quarterly basis.

- (b) any other period when the Company is in possession of unpublished price-sensitive information in relation to those securities; or
- (c) any time it has become reasonably probably that such information will be required by the AIM Rules to be published.

### **Clearance to deal**

- 4 A director must not deal in any securities of the Company without advising the Chairman of the Board (or one or more other directors designated for this purpose) in advance and receiving clearance. In his own case, the Chairman of the Board, or other designated director, must advise the board in advance at a board meeting, or advise another designated director, and receive clearance from the board or designated director, as appropriate.

### **Circumstances for refusal**

- 5 A director must not be given clearance (as required by paragraph 5 of this code) to deal in any securities of the Company during a prohibited period, or on considerations of a short term nature, (an investment with a maturity of one year or less will always be considered to be of a short term nature.) A “prohibited period” means:
- (a) any close period; or
  - (b) any period when there exists any matter which constitutes unpublished price sensitive information in relation to the Company’s securities (whether or not the director has knowledge of such matter).

- 6 A written record must be maintained by the Company of the receipt of any advice received from a director pursuant to paragraph 5 of this code and of any clearance given.

Written confirmation from the Company that such advice and clearance (if any) have been recorded must be given to the director concerned.

### **Dealing permitted during a prohibited period**

#### **Dealings in exceptional circumstances**

- 7 A director, who is not in possession of inside information in relation to the Company, may be given clearance to deal if he is in severe financial difficulty if there are other exceptional circumstances. Clearance may be given for a director to sell (but not purchase) securities of the Company when he would otherwise be prohibited by this code from doing so. The determination of whether the person in question is in severe financial difficulty or whether there are other exceptional circumstances can only be made by the director designated for this purpose.
- 8 A director may be in severe financial difficulty if he has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities of the Company. A liability of such a director to pay tax would not normally constitute severe financial difficulty unless the director has no other means of satisfying the liability. A circumstance will be considered exceptional if the director in question is required by a court order to transfer or sell the securities of the Company or there is some other overriding legal requirement for him to do so.
- 9 The FSA should be consulted at an early stage regarding any application by a restricted person to deal in exceptional circumstances.

#### **Awards of securities and options**

- 10 The grant of options by the board of directors under an employees' share scheme to individuals who are not directors or applicable employees may be permitted during a prohibited period if such grant could not reasonably be made at another time and failure to make the grant would be likely to indicate that the Company was in a prohibited dealing period.
- 11 The award of securities, the grant of options and the grant of rights (or other interests) to acquire securities of the Company to directors and/or applicable employees of the Company is permitted in a prohibited period if:
- (a) the award or grant is made under the terms of an employees' share scheme and the scheme was not introduced or amended during the relevant prohibited period; and
  - (b) either:
    - (i) the terms of such employees' share scheme set out the timing of the award or grant and such terms have either previously been approved by shareholders or summarised or described in a document sent to shareholders, or
    - (ii) the timing of the award or grant is in accordance with the timing of previous awards or grants under the scheme; and
  - (c) the terms of the employees' share scheme set out the amount or value of the award or grant or the basis on which the amount or value of the award or grant is calculated and do not allow the exercise of discretion; and
  - (d) the failure to make the award or grant would be likely to indicate that the Company is in a prohibited period.

### **Exercise of options**

- 12 Where a Company has been in an exceptionally long prohibited period or the Company has had a number of consecutive prohibited periods, clearance may be given to allow the exercise of an option or right under an employees' share scheme, or the conversion of a convertible security, where the final date for the exercise of such option or right, or conversion of such security, falls during a prohibited period and the director could not reasonably have been expected to exercise it at a time when he was free to deal.
- 13 Where the exercise or conversion is permitted pursuant to paragraph 12, clearance may not be given for the sale of the securities of the Company acquired pursuant to such exercise or conversion including the sale of sufficient securities of the Company to fund the costs of the exercise or conversion and/or any tax liability arising from the exercise or conversion unless a binding undertaking to do so was entered into when the Company was not in a prohibited period.

### **Qualification shares**

- 14 Clearance may be given to allow a director to acquire qualification shares where, under the Company's articles of association, the final date for acquiring such shares falls during a prohibited period and the director could not reasonably have been expected to acquire those shares at another time.

### **Saving schemes**

- 15 A director may enter into a scheme under which only the securities of the Company are purchased pursuant to a regular standing order or direct debit or by regular deduction from the

director's salary, or where such securities are acquired by way of a standing election to re-invest dividends or other distributions received, or are acquired as part payment of a director's remuneration without regard to the provisions of the code, if the following provisions are complied with:

- (a) the director does not enter into the scheme during a prohibited period, unless the scheme involves the part payment of remuneration in the form of securities and is entered into upon the director's appointment to the board;
- (b) the director does not carry out the first purchase of securities of the Company under the scheme during a prohibited period unless the director entered into the scheme at a time when the Company was not in a prohibited period and the director is irrevocably bound under the terms of the scheme to carry out a purchase of securities (which may include the first purchase under the scheme) at a fixed point in time which falls in a prohibited period;
- (c) the director does not cancel or vary the terms of his participation, or carry out sales of the securities of the Company within the scheme during a prohibited period; and
- (d) before entering into the scheme or cancelling the scheme or varying the terms of his/her participation or carrying out sales of the securities of the Company within the scheme, the director obtains clearance under paragraph 5 of this code.

16 The provisions of this code do not apply to an investment by a director in a scheme or arrangement where the assets of the scheme or arrangement are invested at the discretion of a third party or to a dealing by the director in the units of an authorised unit trust or in shares in an open ended investment company. In the case of a scheme investing only in the securities of the Company the provisions of paragraph 18 of this code apply.

#### **Dealing as a trustee**

17 Where a director is acting as a trustee, dealing in the securities of the Company by that trust is permitted during a prohibited period where:

- (a) the director is not a beneficiary of the trust; and
- (b) the decision to deal is taken by the other trustees or by investment managers on behalf of the trustees independently of the director.

18 The other trustees or investment managers acting on behalf of the trustees can be assumed to have acted independently where the decision to deal:

- (a) was taken without consultation with, or other involvement of, the director; or
- (b) was delegated to a committee of which the director is not a member.

#### **Dealing by connected persons and investment managers**

19 A director must take reasonable steps to prevent any dealings by or on behalf of any connected person of his in any securities of the Company on considerations of a short term nature.

20 A director must seek to prohibit any dealings in the securities of the Company during a close period:

- (a) by or on behalf of any connected person of his; or



- (b) by an investment manager on his behalf or on behalf of any person connected with him where either he or any person connected has funds under management with that investment fund manager, whether or not discretionary (save as provided by paragraphs 17 and 18).

21 A director must advise all of his connected persons and investment managers acting on his behalf:

- (a) of the name of the listed Company within which he is a director;
- (b) of the close periods during which they cannot deal in the securities of the Company; and
- (c) that they must advise him immediately after they have dealt in securities of the Company.

### **Applicable employees**

22 Applicable employees must comply with the terms of this code as though they were directors.

### **Dealings that are not subject to this code**

23 The following dealings are not subject to the provisions of this code:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of securities of the Company in lieu of a cash dividend);
- (b) the take up of entitlements under a rights issue or other offer (including an offer of securities of the Company in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of securities of the Company in lieu of a cash dividend);
- (d) the sale of sufficient entitlements nil-paid to take up the balance of the entitlements under a rights issue;
- (e) undertakings to accept, or the acceptance of, a takeover offer;
- (f) dealing where the beneficial interest in the relevant security of the Company does not change;
- (g) transactions conducted between a director and their spouse, child or step-child (as defined in section 346 of the Companies Act 1985);
- (h) transfers of shares arising out of the operation of an employees' share scheme into a savings scheme investing in securities of the Company following:
  - (i) exercise of an option under a savings related share option scheme; or
  - (ii) release of shares from a profit sharing scheme;
- (i) with the exception of a disposal of securities of the Company received by a director as a participant, dealings in connection with an HM Revenue and Customs approved employees' share scheme, or any other employees' share scheme under which participation is extended on similar terms to those contained in an I-IM Revenue and

Customs approved employees' share scheme, to all or most employees of the participating companies in that scheme;

- (j) the cancellation or surrender of an option under an employees' share scheme;
- (k) transfers of the securities of the Company by an independent trustee of an employee's share scheme to a beneficiary who is not a director;
- (l) transfers of securities of the Company already held by means of a matched sale and purchase into a saving scheme or into a pension scheme in which the director is a participant or beneficiary;
- (m) an investment by a director in a scheme or arrangement where the assets of the scheme (other than a scheme investing only in the securities of the Company) or arrangement are invested at the discretion of a third party;
- (n) a dealing by a director in the units of an authorised unit trust or in shares in an open ended investment company; and
- (o) bona fide gifts to a director by a third party.

#### **Dealing by Directors**

- 24 A director must not deal in any securities of the company without obtaining clearance to deal in advance in accordance with paragraph 4 of this code.

**RENEURON GROUP PLC**  
**SHARE DEALING CODE**  
**SHARE DEALING CONSENT FORM**

**Name:** .....

**Department** .....

**Contact Telephone No.** .....

**Details of the Proposed Deal** .....

.....

.....

.....

.....

.....

**Date of the Proposed Deal** .....

**Signature of  
Director/employee** .....

**Date Request Submitted** .....

**Approved/Declined** .....

**Date** .....

**Signature of Designated  
Director** .....

## SCHEDULE 6

### RENEURON GROUP PLC

(the “Company”)

#### PUBLIC INTEREST DISCLOSURE (“WHISTLEBLOWING”)

##### POLICY AND PROCEDURE

###### 1. POLICY

As an organisation the Company prides itself on its honesty, integrity and high professional standards in everything it does to deliver its services to its customers and in dealing with its staff and the public. The Company demands the maintenance of these high standards in everything that it does. To this end, the Company has devised this policy and procedure in order to give encouragement and support to employees in coming forward and reporting certain types of conduct or activities conduct that will fall short of these high standards. This policy and procedure does not form any part of any employee’s contract of employment and the Company may amend it at any time.

Under the Employment Rights Act 1996, as amended (the “**ERA 1996**”) and the Enterprises and Regulatory Reform Act 2013 (the “**ERRA 2013**”), employees who report wrongdoing of certain kinds will have specific protection. The Company aims to ensure that by adherence to this policy and through proper use of the procedure, as far as possible, any such report shall be made internally in the first instance by making it possible for all employees to approach an appropriate person within the Company in order to draw their concerns to the attention of someone who has authority to act. This policy and procedure is aimed at ensuring that any employee who wishes to voice a concern regarding potential or actual wrongdoing on the part of the Company or anyone with whom the Company is associated feels sufficiently comfortable to do so.

Any report made by any employee under this policy will be treated as confidential so far as is practicable in all the circumstances.

Any report made by any employee under this policy will be treated seriously.

A report under this policy should be made by any employee who either knows or reasonably believes that wrongdoing (as listed below) is taking place, has taken place or may take place.

The types of wrongdoing listed under the ERA 1996 and in respect of which a report should be made under this policy are:

- criminal offences;
- failure to comply with a legal obligation;
- miscarriage of justice;
- endangering of the health and safety of any person;
- damage to the environment; and

- deliberate concealment of any information tending or likely to show any of the above wrongdoings.

## 2. **PROCEDURE**

### 2.1 **Making a Report**

#### (A) **Verbal Report**

In the first instance making a report need not be a formal matter if the employee concerned wishes to make an informal and in-confidence verbal report.

An informal approach to the employee's direct superior or other similar level of management will be treated as confidential and will not go further than that manager unless the employee agrees.

When making a verbal report it is essential that the employee makes clear that he or she is seeking to invoke this Procedure so that any potential misunderstanding is avoided.

Where further investigation is necessary, the employee making the report will be informed of this and kept informed at reasonable intervals of the progress of the investigation.

Once the investigation has been completed, the employee making the report will be informed of the outcome and any further action that the Company proposes to take.

#### (B) **Written Report**

If the employee concerned feels that an informal verbal approach is not appropriate or wishes, in any event, to make a more formal report, this should be directed to a senior member of the Company's managerial staff.

A formal report should be in writing.

If the employee does not feel comfortable putting their concerns into writing, a meeting will be held as soon as possible with the employee and their concerns taken down in writing by the manager handling the matter. This meeting will be in confidence and the employee will be asked to confirm that their concerns have been accurately recorded. The employee may bring a colleague to any meetings under this policy, who must respect the confidentiality of the employee's disclosure and subsequent investigation.

When making a formal report that is not initially in writing, it is essential that the employee makes clear that he or she is seeking to invoke the formal part of this Procedure so that any potential misunderstanding is avoided.

Where further investigation is necessary following a formal report, this will be undertaken by the senior manager to whom the report was directed or another senior and appropriate manager if deemed appropriate in the circumstances.

The employee will be kept informed at reasonable intervals of the progress of the investigation and any outcomes or further action.

Anyone involved in the investigation will be informed on a strict need-to-know basis.

Where the employee has reason to be unhappy with the progress of any investigation or the manner in which the matter has been resolved, he/she should then refer the matter to the Company Secretary. An investigation of this matter will be undertaken by the Company and the result will be notified to the employee concerned as soon as possible.

### 3. **PROTECTION**

The Company aims to encourage openness and will support staff who raise genuine concerns under this policy and procedure, even if they turn out to be mistaken.

In accordance with section 47B of the ERA 1996 and section 19 of the ERRA 2013, any employee who raises a genuine concern under this procedure will be protected from suffering any detriment as a result. If the employee who has made a report under this procedure (whether formal or informal) genuinely believes that they are being subjected to a detriment as a result, he/she should report this to the Company Secretary as soon as possible and action will be taken to investigate and to prevent any such detriment. Staff must not threaten or retaliate against whistleblowers in any way and any staff involved in such conduct may be subject to disciplinary action.

Should it become clear after investigation that any report under this procedure has not been made in good faith or with a reasonable belief that such report is in the public interest, but has been made for other reasons, for example, maliciously or to pursue a personal grudge against another employee of the Company or to try to deflect attention from the reporting employee's own misconduct, this will be dealt with under the disciplinary procedure and may result in disciplinary action against the employee making such a report.

Where matters are raised under this procedure which cannot be dealt with by the Company on an internal basis, it reserves the right to refer such matters to an appropriate external agency or body without the need to obtain the reporting employee's consent.