

Oxford Target Therapeutics Ltd

CORPORATE GOVERNANCE

Oxford Target Therapeutics commits itself and undertakes to maintain a standard of Corporate Governance as appropriate to its size. It subscribes both to the principles laid down in UK company law, i.e. Corporate Governance Code as given statutory authority under the Financial Services and Markets Act 2000, as follows:

Section A: Leadership

The company will be headed by an effective board which is collectively responsible for the long-term success of the company, and which will have a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business, such that no one individual will have unfettered powers of decision. The CEO will be responsible for leadership of the board and ensuring its effectiveness on all aspects of its role. Non-executive directors will be expected to constructively challenge and help develop proposals on strategy, and work with the board and provide advice in the best interests of the company.

Section B: Effectiveness

The board will have an appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively as Directors. There will be a formal, rigorous and transparent procedure for the appointment of new directors to the board, and all directors should be able to allocate sufficient time to the company to discharge their responsibilities effectively. All directors will receive induction on joining the board and will be expected to update and refresh their skills and knowledge. The board will also undertake an annual evaluation of its performance and of individual directors, linking to the need that directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance.

Section C: Accountability

The board will present a balanced and understandable assessment of the company's position and prospects, and will be responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives while maintaining sound risk management and internal control systems. The board will also establish formal and transparent arrangements for reporting and maintaining an appropriate relationship with the company's auditor.

Section D: Remuneration

Levels of remuneration will be sufficient to attract, retain and motivate directors of the quality required to run the company successfully, but will avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration will be structured so as to link rewards to corporate and individual performance. There will also be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors, and no director will be involved in deciding his or her own remuneration.

Section E: Relations with Shareholders

There will be dialogue with shareholders based on the mutual understanding of company objectives. The board as a whole will have responsibility for ensuring that a satisfactory dialogue with shareholders takes place and the board will use the AGM to communicate with investors and to encourage their participation.