

Dated 29 November 2016

OXFORD BIODYNAMICS PLC

**SCHEDULE OF MATTERS SPECIFICALLY
RESERVED FOR DECISION BY THE BOARD**

MAYER • BROWN

OXFORD BIODYNAMICS PLC (the "Company")

SCHEDULE OF MATTERS SPECIFICALLY RESERVED FOR DECISION BY THE BOARD

In general, the full board of directors of the Company should consider all important management and policy matters in relation to the Company which should include setting the Company's strategic aims, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance. The board should also set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

Without affecting that general rule, the board has specifically resolved that the matters described in Part A of this document should be reserved for decision by it.

Items marked * are not suitable for delegation to a committee of the board, for example, because of legal requirements or because, under the recommendations of the QCA Corporate Governance Code for Small and Mid-Sized Quoted Companies, they are the responsibility of the audit, nomination or remuneration committee, with the final decision required to be taken by the board as a whole.

In addition, the board has specifically resolved that the matters described in Part B of this document should be reserved for decision by those members of the board that are considered independent in accordance with the QCA Corporate Governance Code for Small and Mid-Sized Quoted Companies.

PART A- MATTERS RESERVED FOR THE BOARD

1. STRATEGY AND MANAGEMENT

- (a) Responsibility for the overall leadership of the Company and setting the Company's values and standards.
- (b) Approval of the group's strategic aims and objectives.
- (c) Approval of the annual operating and capital expenditure budgets and any material changes to them.
- (d) Oversight of the group's operations ensuring, competent and prudent management, sound planning, an adequate system of internal control, adequate accounting and other records and compliance with statutory and regulatory obligations.
- (e) 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.
- (f) Extension of the group's activities into new business or geographic areas.
- (g) Any decision to cease to operate all or any material part of the group's business.

2. STRUCTURE AND CAPITAL

- (a) Changes to the group's capital and control structure including reduction of capital, share issues (except under employee share plans), share buy backs including the use of treasury shares.
- (b) 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 (taking into account initial and deferred consideration) and the creation of new legal entities.

- (c) Changes to the group's management and control structure.
- (d) Any changes to the Company's admission to trading on the AIM market of the London Stock Exchange plc or its status as a plc.

3. FINANCIAL REPORTING AND CONTROLS

- (a) *Approval of the half-yearly report and (if relevant) interim management statements.
- (b) *Approval of preliminary announcements of interim and final results.
- (c) *Approval of the annual report and accounts, including the corporate governance statement and remuneration report.
- (d) *Approval of the dividend policy.
- (e) *Declaration of any interim dividend and recommendation of any final dividend.
- (f) *Approval of any significant changes in accounting policies or practices.
- (g) Giving of any guarantee by the Company for the obligations or liabilities of any other member of the group or third party or granting of any power of attorney by the Company (other than in the ordinary course of business) to any agent, attorney or similar representative in excess of £100,000.

4. INTERNAL CONTROLS

Ensuring maintenance of a sound system of internal control and risk management including:

- (a) approving the Company/group's risk appetite statements;
- (b) receiving reports on, and reviewing the effectiveness of, the Company's risk and control processes to supports its strategy and objectives;
- (c) approving procedures for the detection of fraud and the prevention of bribery;
- (d) undertaking an annual assessment of these processes; and
- (e) approving an appropriate statement for inclusion in the annual report.

5. CONTRACTS

- (a) Approval and oversight of major capital projects above £100,000 (non-Amici) and £150,000 (Amici).
- (b) Approval of major opex payments above £100,000 (non-Amici) and £150,000 (Amici).
- (c) Insurance policies or cancellation / amendments to existing insurance policies with premiums above £50,000.

- (d) Contracts entered into by the Company or any other member of the group in the ordinary course of business, which are material strategically or by reason of size, for example:
- Contracts that license to any third party any background IP owned by the Company;
 - Contracts of employment over £50,000 per annum;
 - All options granted to employees;
 - Service agreements with customers over £1,000,000
- (e) Contracts entered into by the Company or any other member of the group not in the ordinary course of business, for example:
- FX, interest rate or use of any other derivatives above £1,000,000;
 - major acquisitions or disposals above £100,000 (including intangible assets such as intellectual property);
 - taking on of credit facilities above £250,000, extending credit facilities by more than £100,000, or drawing down on credit facilities by more than £100,000;
 - granting of any security above £100,000;
 - taking on asset finance or leasing arrangements above £100,000;
- (f) Major investments by the Company or any other member of the group including the acquisition or disposal of interests of more than 3 per cent in the voting shares of any other company or the making of any takeover offer.

6. **COMMUNICATION**

- (a) Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- (b) Approval of all circulars, admission documents, prospectuses and listing particulars.

7. **BOARD MEMBERSHIP AND OTHER APPOINTMENTS**

- (a) Changes to the structure, size and composition of the board, including appointments to the board following recommendations from the nomination committee.
- (b) Ensuring adequate succession planning for the board and senior management so as to maintain an appropriate balance of skills and experience in the Company and on the board.
- (c) Appointment or removal of the company secretary.
- (d) Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in general meeting, following the recommendation of the audit committee.

8. REMUNERATION

- (a) *Determining the remuneration policy for the directors, company secretary and other senior executives following recommendations from the remuneration committee.
- (b) Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate following recommendations from the remuneration committee.
- (c) *The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval following recommendations from the remuneration committee.

9. DELEGATION OF AUTHORITY

- (a) Approval of any delegated levels of authority.
- (b) *Establishing board committees and approving their terms of reference and major changes to them.

10. CORPORATE GOVERNANCE MATTERS

- (a) *Undertaking a formal and rigorous annual review of the board's own performance, that of its committees and individual directors and the division of responsibilities.
- (b) *Determining the independence of non-executive directors in light of their character, judgment and relationships.
- (c) *Considering the balance of interests between shareholders, employees, customers and the community.
- (d) Review of the group's overall corporate governance arrangements.
- (e) Authorising conflicts of interest where permitted by the Company's articles of association.

11. CONSTITUTION OF THE COMPANY

- (a) Alteration or amendment of the Company's articles of association.
- (b) Change in the Company's:
 - external auditors;
 - accounting reference date; or
 - registered name/business name.

12. POLICIES

Approval of internal policies and codes of conduct, including:

- (a) Market Abuse Regulation share dealing documents;
- (b) Anti-bribery and corruption policy;

- (c) Health and safety policy;
- (d) Expenses policy;
- (e) Whistle blowing policy;
- (f) Standards of business conduct policy; and
- (g) others.

13. OTHER

- (a) The making of charitable or political donations by any member of the group.
- (b) Approval of the appointment of the group's principal professional advisers.
- (c) Establishing or varying customer payment terms on contracts worth in excess of £750,000.
- (d) Approval of customer credits or rebates in excess of £100,000.
- (e) Bad debt write offs in excess of £100,000.
- (f) Approval of the overall levels of insurance for the Company including liability insurance for and indemnification of directors and other officers.
- (g) Major changes to the rules of the group's pension scheme(s) or changes of trustees or, when this is subject to the approval of the Company, changes in the fund management arrangements.
- (h) Any decision likely to have a material impact on the Company or group from any perspective, including financial, operational, strategic or reputational.
- (i) Hiring or creating new or temporary positions with an effective annual salary cost above £100,000.
- (j) Any changes including but not limited to ad hoc salary increases on contracts above £120,000.
- (k) Employee or consultant termination payments above £50,000.
- (l) Taking on any fixtures, fittings, leasehold improvements or dilapidation work above £100,000.
- (m) Commencing legal proceedings with claims above £100,000 or settle claims / actions above £50,000, or otherwise material to the interests of the group.
- (n) This schedule of matters reserved for board decisions.

PART B- MATTERS RESERVED FOR THE CHAIRMAN AND THE INDEPENDENT DIRECTORS

- (a) Approval of all agreements (whether new agreements or amendments) entered into between the Company and either Chronos Therapeutics Limited or Sibelius Limited, with a view to preventing any conflicts of interest from arising between the business of such companies and the business of the Company.