

CLINIGEN GROUP PLC
THE REMUNERATION COMMITTEE
TERMS OF REFERENCE

(ADOPTED BY THE BOARD ON 18 SEPTEMBER 2012)

1 Membership

- 1.1 Members of the Remuneration Committee shall be appointed by the board, on the recommendation of the Nomination Committee in consultation with the chairman of the Remuneration Committee. The Remuneration Committee shall comprise at least three members, the majority of whom shall, if practicable, be "independent" non-executive directors for the purposes of the UK Corporate Governance Code.
- 1.2 Only members of the Remuneration Committee have the right to attend Remuneration Committee meetings. However, other directors and other individuals (including representatives of external advisers) may be invited to attend for all or part of any meeting, as and when appropriate in the opinion of the Remuneration Committee's chairman or the majority of its members.
- 1.3 Appointments to the Remuneration Committee shall be for a period of up to three years (subject to the election and re-election provisions in the company's constitution and in the UK Corporate Governance Code), which may be extended for further periods of up to three years each.
- 1.4 The board shall appoint the Remuneration Committee chairman who shall be an independent non-executive director. In the absence of the Remuneration Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves who is an independent director 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 be chairman of the Remuneration Committee.

2 Secretary

A person selected for the task by the Remuneration Committee shall act as the secretary of the Remuneration Committee.

3 Quorum

The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Remuneration 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 Remuneration Committee.

4 Meetings

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

5 Notice of meetings

- 5.1 Meetings of the Remuneration Committee shall be called by the secretary of the Remuneration Committee at the request of its chairman.

- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Remuneration 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 Remuneration Committee members and to other attendees, as appropriate, at the same time.

6 Minutes of meetings

- 6.1 The secretary shall minute the proceedings and decisions of all Remuneration Committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of Remuneration Committee meetings shall be circulated promptly to all members of the Remuneration Committee. Once approved, minutes should be circulated to all other members of the board, other than where it would be inappropriate to do so.

7 Annual General Meeting

The chairman of the Remuneration Committee should attend the annual general meeting to answer any shareholder questions on the Remuneration Committee's activities.

8 Duties

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

The Remuneration Committee shall:

- (a) determine and agree with the board the framework or broad policy for the remuneration of the company's chairman, chief executive, 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 his own remuneration;
- (b) in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the UK Corporate Governance Code 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) review the ongoing appropriateness and relevance of the remuneration policy;
- (d) 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;
- (e) review the design of all share incentive plans for approval by the board and (where applicable) 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, company secretary and other designated senior executives and the performance targets to be used;

- (f) determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;
- (g) 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;
- (h) 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 the chairman, each executive director, company secretary and other designated senior executives including bonuses, incentive payments and share options or other share awards;
- (i) oversee any major changes in employee benefits structures throughout the company or group;
- (j) agree the policy for authorising claims for expenses from the chairman or the chief executive.
- (k) be exclusively responsible for establishing the selection criteria and for selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee; and
- (l) obtain reliable, up-to-date information about remuneration in other companies.

The Remuneration Committee shall have full authority to appoint remuneration consultants and to commission or purchase any information, reports or surveys which it deems necessary to help it fulfil its obligations, within any budgetary restraints imposed by the board.

9 Reporting responsibilities

- 9.1 The Remuneration Committee chairman shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Remuneration Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Remuneration Committee shall produce a report on the company's remuneration policies and practices to be included in the company's annual report.

10 Other

The Remuneration 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, the provisions of the UK Corporate Governance Code and the requirements of the AIM Rules for Companies, as appropriate;

- (d) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

11 Authority

- 11.1 The Remuneration Committee is authorised by the board to seek any information it requires from any employee of the company in order to perform its duties.
- 11.2 The Remuneration Committee is authorised by the board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.