

QCA Code

Compliance Statement

The directors (“**Directors**” or “**Board**”) of Tiziana Life Sciences plc (the “**Company**”) recognise the importance of sound corporate governance and have resolved to adopt the Quoted Companies Alliance Corporate Governance Code (the “**QCA Code**”), which they believe is the code that is most suitable for the Company, its subsidiaries and subsidiary undertakings (together, the “**Group**”), having regard to its strategy, size, stage of development and resources.

The following is a high-level summary of the Group’s compliance with the QCA Code principles as at the date of this statement. The Board will provide annual updates on the Group’s compliance with the QCA Code in its financial statements and on its website.

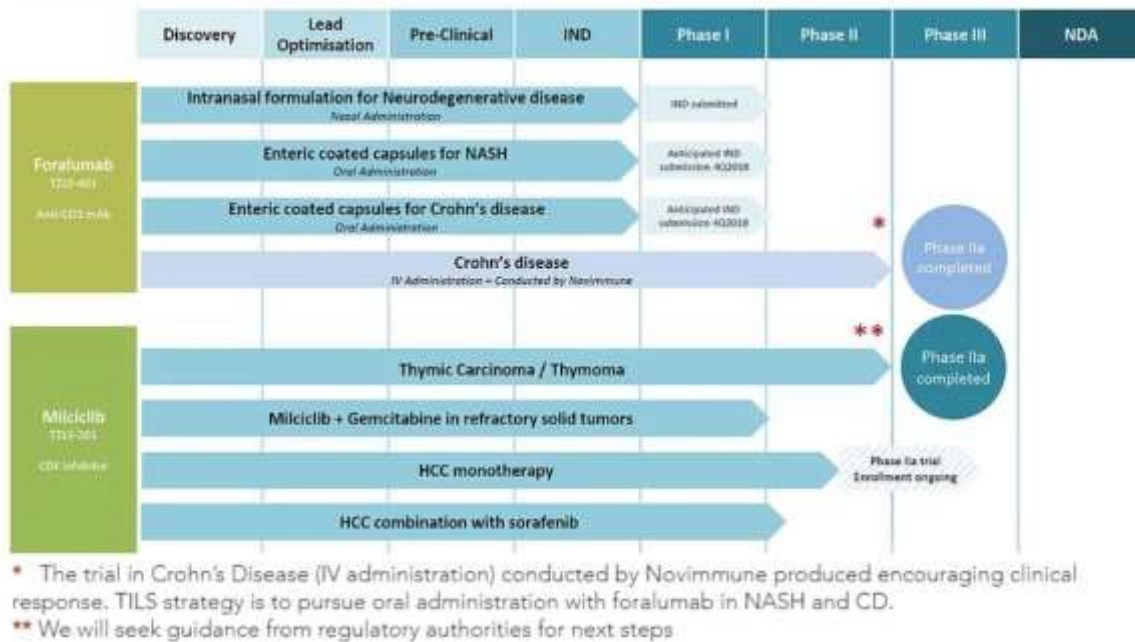
Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Group is focused on the discovery and development of next generation therapeutics for cancers and immune diseases in humans. The Group combines field leading medical scientists, providing deep knowledge and novel insights into disease mechanisms, together with a highly experienced clinical development team. Since its foundation in 2013, the Group has expanded its pipeline of assets to include clinical stage development therapeutic candidates in both oncology and immunology, as well as a pre-clinical drug discovery pipeline of small molecule new chemical entities.

We are developing a late stage cyclin-dependent kinases inhibitor, Milciclib, for treatment of hepatic cellular carcinoma and thymic cancer, for which it has orphan drug status. Milciclib recently completed two phase II studies for thymic cancer and a phase II trial as monotherapy for hepatic cellular carcinoma is ongoing.

We are also developing Foralumab, a fully human anti-CD3 antibody a unique asset for treatment of chronic autoimmune and inflammatory diseases such as non-alcoholic steatohepatitis and neurodegenerative diseases such as multiple sclerosis. The clinical timeline for each is outlined below:

Clinical Programmes



Further information on the Group's strategy and business model can be found on pages 2 to 6 of the financial accounts for the year ended 31 December 2017 (the "2017 Financial Statements"), available [here](#).

The key challenges to the business are detailed on pages 7 to 9 of the 2017 Financial Statement.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining high standards of corporate governance and is accountable to the shareholders for the proper corporate governance of the Group. The Group operates within the life sciences sector in an effective and efficient way, with integrity and due regard for the interests of shareholders and applies principles of general governance applicable to the size and stage of development of the Group.

Given the Company's size, it is too small to have a dedicated investor relations department and accordingly the Chief Executive Officer is responsible for reviewing all communications received from shareholders and determining the most appropriate response. The Chief Executive Officer relays such communications to the Board, via his role as Executive Director, on a regular basis.

Private investors are also encouraged to participate in the Company's Annual General Meeting ("AGM"), at which Directors, including the Executive Chair and the chairs of the Audit, Remuneration and Nominating Committees are available to review the results, comment on current business

activity and to answer questions. Results of our latest AGM, held on 25 June 2018, can be found [here](#). Shareholders can request further information or a meeting by emailing <mailto:info@tizianalifesciences.com>.

The Board believes that via the Group's press releases, the information published on the Company website (www.tizianalifesciences.com) and the representations made at the AGM, the Board presents a balanced and understandable assessment of the Group's position and prospects to shareholders.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board is mindful of how the Group's business activities impact on society and the environment and strives to make a positive contribution to the world while delivering exceptional business results. The Group's responsibilities to stakeholders (including staff) are also recognised, as a considerate culture makes for a more cooperative and successful business. All stakeholders are encouraged to relay feedback about the Group to the Board, by emailing <mailto:info@tizianalifesciences.com>.

Employees

The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability. Applications for employment by disabled persons are given full and fair consideration having regard to their particular aptitudes and abilities. Where existing employees become disabled, it is the Group's policy, wherever possible, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion wherever appropriate.

Environment

The Group is conscious of the basic tenets of conservation: reduce, reuse, and recycle.

Human rights

The Group is staunchly opposed to and does not use any form of forced, compulsory, or child labour. The Group observes and respects human rights, the dignity and privacy of the individual, the right of employees to freedom of association, freedom of expression, and the right to be heard. Additionally the Group is a firm supporter of the Universal Declaration of Human Rights of the United Nations.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board has overall responsibility for risk management and the application of control, and provides strategic leadership to the Group. The Audit Committee is responsible for the Group's system of internal controls, ensuring the financial performance of the Group is properly measured and reported on, and considering the Directors' risk assessment. The Group assesses and monitors the inherent risks in the life sciences industry, as well as other micro and macroeconomic factors that may present risk to the Group's progression. The Group also considers Group-specific risks such as research progress, personnel and operational facilities and collaborations.

The Audit Committee considers risk to the business at every meeting (at least two meetings are held each calendar year) and the risk register is updated at each meeting. The Audit Committee periodically reports to the Board, and formally reviews and documents the principal risks to the business at least annually.

Further information on the Group's internal control systems and risk management can be found on pages 7 to 11 of the 2017 Financial Statement.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

The Group is currently led and controlled by a Board comprising four Directors: the Executive Chair, one Executive Director, and two Non-Executive Directors. All Directors are subject to re-election at least once every three years.

The Executive Chair of the Group, Gabriele Cerrone, undertakes an executive role. The Chair is also the founder and largest shareholder in the Group. The Executive Chair is the person responsible for guiding the business of the Board and ensuring long-term strategic focus and direction of the executive functions. The QCA Code recommends that this role should be undertaken as a nonexecutive role.

As the Group develops and grows, and in particular following its proposed listing in the U.S, it is committed to strengthen and reorganise the Board with the appointment of further experienced non-executive directors in order to maintain appropriate balance. The Group's U.S. listing is also an opportunity to improve and elevate the standards of quality the Group maintains with regards to its corporate governance and to attract further talent to the Board whilst developing its policies and internal controls. The Company undertakes to review the appropriateness of the role of the Executive Chair in the following year in the context of its overall strategy.

The Board is accountable for overall Group strategy, consideration of significant financing, approval of major expenditures and matters of corporate structure. In order for the Board to discharge its responsibilities, all Directors have access to relevant information and there is a procedure for all

Directors, in furtherance of their duties, to take independent professional advice, if necessary, at the Group's expense. All Board members have access to advice from the Company Secretary.

The Group has effective procedures in place to monitor and address conflicts of interests. The Board is aware of the commitments and interests of its Directors and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience required to execute the Group's strategy. Full biographical details of the Directors are available [here](#).

The Directors receive regular updates on regulatory and industry developments in the form of briefings and meetings with management and, where appropriate, external advisors. The Nominating Committee is responsible for instituting plans or programs for the continuing education of Directors and orientation of new directors as it deems appropriate. All Directors are offered regular training to develop their knowledge and ensure they stay up-to-date on matters for which they have responsibility as a Board member.

The Company's Articles of Association require that one-third of the Directors must stand for re-election by shareholders annually in rotation; that all Directors must stand for re-election at least once every three years; and that any new Directors appointed during the year must stand for election at the AGM immediately following their appointment.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Nominating Committee periodically reviews the performance of the Board, including Board committees and management. As appropriate, the Nominating Committee will make recommendations to the Board and management for areas of improvement.

The performance of Executive Directors is also evaluated by the Remuneration Committee. All Directors undergo a performance evaluation before being proposed for re-election to ensure that their performance is and continues to be effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role. The Board believes that these criteria are sound benchmarks against which individual and collective effectiveness can be considered.

The Nominating Committee considers succession planning by identifying and evaluating candidates, including nomination of incumbent Directors for re-election and nominees recommended by shareholders to serve on the Company's Board. The Nominating Committee use criteria approved by the Board, including consideration of the potential conflicts of interest, Director independence, and other requirements. The Nominating Committee monitors and evaluates the composition, organization, and size of the Board.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Group recognizes that it is stronger and more effective as a team than as individuals. The Group supports an open, communicative culture in which individuals are encouraged to offer suggestions for improvement. The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability (see Principle 3, above). The Group recognises that diversity is a source of strength and listens to differing viewpoints so management can constructively solve problems. Fostering strong teamwork allows an opportunity for each individual's suggestions to be heard, empowering employees and encouraging necessary risk-taking.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board's ability to make decisions that support its strategy and benefit stakeholders is a function of, among other things:

1. its composition and competence (see Principles 5 and 6, above);
2. its Audit, Remuneration and Nominating committees (described below) which all report periodically to it;
3. its internal controls (see Principle 4, above); and
4. engagement with stakeholders, including shareholders and employees (see Principle 3, above).

The Audit Committee is responsible for:

1. monitoring the quality of internal controls and ensuring the financial performance of the Group is properly measured and reported on;
2. consideration of the Directors' risk assessment and suggesting items for discussion at the full Board;

3. receipt and review of reports from the Company's management and auditors relating to the interim and annual accounts, including a review of accounting policies, accounting treatment and disclosures in the financial reports;
4. consideration of the accounting and internal control systems in use throughout the Company and its subsidiaries; and
5. overseeing the Company's relationship with external auditors, including making recommendations to the Board as to the appointment or re-appointment of the external auditors, reviewing their terms of engagement, and monitoring the external auditors' independence, objectivity and effectiveness.

The Audit Committee's charter is available [here](#).

The Remuneration Committee is responsible for:

1. the review of the performance of the executive directors;
2. recommendations to the Board on matters relating to the remuneration and terms of service of the executive directors; and
3. recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time.

The Remuneration Committee's charter is available [here](#).

The composition of the Board is of fundamental importance to the Group's success. The Nominating Committee is responsible for leading the process for Board appointments and making recommendations to the Board. The Nominating Committee's charter is available [here](#).

Please see our Corporate Governance Statement on pages 10 and 11 of the 2017 Financial Statement for further information about the Board and its committees.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Group communicates with shareholders through the Financial Statements, at the AGM and, where requested, individual meetings with large potential or existing shareholders. A significant volume of corporate information (including all of the Group's announcements and presentations) is available to shareholders, investors and the public on our website, available [here](#).

Please see Principles 2 and 3 (above) for further information on how the Group maintains dialogue with shareholders and other stakeholders.

The Corporate Governance Statement in the Directors Report on pages 10 to 12 of the 2017 Financial Statements contains a detailed description of the way in which the Group is governed. Our next Financial Statement will include an independent Audit Committee report (in addition to the independent auditor's report) and a Remuneration Committee report, each outlining their specific work throughout the year.

Gabriele Cerrone

Executive Chair

25 September 2018