



tiziana

LIFE SCIENCES

Tiziana Life Sciences plc

Charter of the Remuneration Committee of the Board of Directors

Effective Date: 25 July 2018

1. Purpose and Policy

1.1 The purpose of the remuneration committee of the board of directors (the “**Board**” or “**Directors**”) (the “**Remuneration Committee**”) of Tiziana Life Sciences plc (the “**Company**”) is to:

- help the Board oversee the Company’s remuneration policies, plans, and programs;
- review and determine the remuneration to be paid to the Company’s executive officers and Directors;
- review and make recommendations to the Board regarding remuneration for non-executive members of the Board, including the approval of the Director remuneration policy;
- prepare any report on executive remuneration required by the rules and regulations of the U.S. Securities and Exchange Commission (the “**SEC**”), The Nasdaq Stock Market LLC (“**Nasdaq**”) and any other applicable regulatory authority, and review and when required, review and discuss with management the Company’s remuneration disclosures contained under the caption “Remuneration Discussion and Analysis” section of the Company’s annual reports, registration statements, proxy statements, or information statements filed with the SEC; and
- prepare any report on remuneration required under U.K. law including the preparation of the Directors’ remuneration report which shall accompany the Company’s U.K. annual report and accounts and contain such information as is required to comply with the U.K. Companies Act 2006 and any applicable SEC disclosure requirements in effect from time to time, and the Directors’ remuneration policy as set out in the U.K. annual report and accounts shall be put to the shareholders for their approval at the Company’s annual general meeting (“**AGM**”) at least every three years, and in the event of a change to the policy, at the next possible AGM.

1.2 The term “remuneration” includes salary, long-term incentives, bonuses, perquisites, equity incentives, severance arrangements, retirement benefits and other related benefits and benefit plans.

1.3 The “Public Effective Date” means the date on which the Company becomes a public reporting company subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and applicable rules and regulations of the SEC.

2. Composition

2.1 The members of the Remuneration Committee, including the Chair, will be appointed by and serve at the discretion of the Board. Vacancies occurring on the Remuneration Committee will be filled by the Board. Resignation or removal of a Remuneration Committee member from the Board for any reason will automatically constitute resignation or removal from the Remuneration Committee.

Before the Public Effective Date, the Remuneration Committee will consist of at least one member of the Board.

2.2 Following the Public Effective Date:

- the Remuneration Committee will consist of at least two members of the Board; and
- each member of the Remuneration Committee will satisfy:
 - the independence requirements imposed by the SEC and the stock exchange that lists the Company's American Depositary Shares ("**ADSs**"), or ordinary shares, including any exceptions permitted by such requirements;
 - unless otherwise approved by the Board, the "non-employee director" requirements under Rule 16b-3 of the Exchange Act;
 - any other qualifications determined by the Board; and
 - any other requirements imposed by applicable law.

3. Authority

3.1 The Remuneration Committee will have access to all Company books, records, facilities and personnel as deemed necessary or appropriate by any member of the Remuneration Committee, including human resources personnel when preparing the "Remuneration Discussion and Analysis" for inclusion in the Company's public filings. If the Remuneration Committee concludes that it must retain legal, accounting, or other outside advisors or remuneration consultants to assist in the evaluation of Director and officer remuneration, it may do so and determine remuneration and other retention terms for those advisors at the Company's expense. The Remuneration Committee may also pay, at the Company's expense, ordinary administrative expenses it deems appropriate in carrying out its duties. The Remuneration Committee will have authority to require that any of the Company's personnel, legal, accounting, or other outside advisors attend any meeting of the Remuneration Committee or meet with any member of the Remuneration Committee or any of its special, legal, accounting, or other outside advisors.

3.2 The Remuneration Committee may form and delegate authority to one or more subcommittees to the extent allowed under applicable law, including a subcommittee composed of one or more officers of the Company to grant share awards under the Company's equity incentive plans to persons who are not then subject to Section 16 of the Exchange Act. By delegating an issue to a subcommittee, the Remuneration Committee does not surrender any authority over that issue. Although the Remuneration Committee may act on any issue that has been delegated to a subcommittee, doing so will not limit or restrict future action by the subcommittee on any matters delegated to it. By approving this charter of the Remuneration Committee (this "**Charter**"), the Board delegates authority to the Remuneration Committee with respect to these responsibilities.

4. Responsibilities

The Remuneration Committee's responsibilities are a guide and should remain flexible to account for changing circumstances and needs. The Remuneration Committee may supplement or, unless required by law or the stock exchange that lists the Company's ADSs or ordinary shares, deviate from its duties, as appropriate, and establish policies and procedures consistent with applicable rules and regulations. Following the Public Effective Date the Remuneration Committee shall have the following responsibilities:

4.1 **Overall Remuneration Strategy.**

The Remuneration Committee will review, modify, and oversee the Company's overall remuneration strategy and policies, including:

- (a) reviewing, evaluating, and approving employment agreements, severance agreements, change-of-control protections, corporate performance goals and objectives relating to the remuneration, and other compensatory arrangements of the Company's executive officers and other senior management and adjusting remuneration, as appropriate;
- (b) evaluating and approving the remuneration plans and programs advisable for the Company and evaluating and approving the modification or termination of existing plans and programs;
- (c) establishing equity remuneration policies to appropriately balance the perceived value of equity remuneration and the dilutive and other costs of that remuneration to the Company;
- (d) reviewing remuneration practices and trends to assess the adequacy and competitiveness of the Company's executive remuneration programs as compared to companies in the Company's industry and exercise its judgment in determining the appropriate levels and types of remuneration to be paid;
- (e) approving any loans by the Company to employees;
- (f) reviewing and approving any remuneration arrangement for any executive officer involving any subsidiary, special purpose or similar entity, with consideration of the potential for conflicts of interest in such arrangements and whether the arrangement has the potential to benefit the Company;
- (g) reviewing the Company's practices and policies of employee remuneration as they relate to risk management and risk-taking incentives, to determine if such remuneration policies and practices are reasonably likely to have a material adverse effect on the Company; and
- (h) evaluating the efficacy of the Company's remuneration policy and strategy in achieving expected benefits to the Company and otherwise furthering the Remuneration Committee's policies.

4.2 Remuneration of Chief Executive Officer ("CEO").

- (a) The Remuneration Committee will review and approve the remuneration and other terms of employment of the CEO and evaluate the CEO's performance in achieving corporate performance goals and objectives. The evaluation will take into account the policies of the Remuneration Committee and the criteria for evaluating the CEO's performance including:
 - fostering a corporate culture that promotes the highest level of integrity and the highest ethical standards;
 - developing and executing the Company's long-term strategic plan and conducting the business of the Company in a manner appropriate to enhance long-term shareholder value;
 - achieving the CEO's individual performance goals and objectives; and
 - the achievement of any other corporate performance goals and objectives deemed relevant to the CEO as established by the Remuneration Committee.
- (b) The CEO may not be present during the voting or deliberations regarding his or her remuneration.

4.3 Remuneration of Other Executive Officers and Senior Management.

The Remuneration Committee will determine and approve all elements of the remuneration and other terms of employment of the executive officers and other senior management reporting directly to the CEO, as appropriate, taking into consideration the person's success in achieving his or her individual performance goals and objectives and the corporate performance goals and objectives deemed relevant to the person. The CEO may be present during these discussions, but may not vote.

4.4 Remuneration of Directors.

The Remuneration Committee will review and recommend to the Board for its approval the type and amount of remuneration to be paid or awarded to Board members.

4.5 **Selection, Use of Remuneration Consultants and Other Advisors.**

The Remuneration Committee will have sole responsibility for the appointment, authority to select, retain, and terminate any remuneration and oversight of the work of remuneration consultants, legal counsel, or any other advisors engaged for the purpose of advising the Remuneration Committee. These remuneration consultants or other advisors and consultants will report directly to the Remuneration Committee, at the Company's expense. The Remuneration Committee may select remuneration consultants, legal counsel and other advisors to the Remuneration Committee only after assessing the independence of these persons in accordance with the requirements of the stock exchange that lists the Company's ADSs or ordinary shares.

4.6 **Administration of Remuneration-Related Programs.**

The Remuneration Committee will have full power and authority to adopt, amend, terminate, and administer the Company's equity award, pension, and profit sharing plans, incentive plans, bonus plans, executive benefit plans, stock purchase plans, deferred remuneration plans and other similar programs. The Remuneration Committee shall have full power and authority to administer these plans, establish guidelines, interpret plan documents, select participants, approve grants and awards, approve modifications to awards and exercise other powers including appropriate delegation as the Remuneration Committee determines, as appropriate. The Board will retain the right to act on all such matters without limiting the Remuneration Committee's authority, subject to compliance with applicable laws and regulations.

4.7 **Remuneration Discussion and Analysis.**

When required, the Remuneration Committee will review and discuss with management the Company's "Remuneration Discussion and Analysis."

4.8 **Conflict of Interest Disclosure.**

The Remuneration Committee will review and discuss with management any conflicts of interest raised by the work of a remuneration consultant or other advisor hired by the Remuneration Committee or management and how such conflict is being addressed, and prepare any necessary disclosure in the Company's public filings in accordance with applicable SEC rules and regulations.

4.9 **Other Matters.**

- (a) **Remuneration Committee Reports.** The Remuneration Committee will oversee the preparation of any report required by applicable U.S. and U.K. rules and regulations to be included in the Company's public filings relating to remuneration policy and practices, including but not limited to the Directors' remuneration report. In addition, after the Company ceases to qualify as a foreign private issuer, the Remuneration Committee will prepare and review the Remuneration Committee report on executive remuneration to be included in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.
- (b) **Remuneration Committee Self-Assessment.** The Remuneration Committee will annually evaluate its performance and the adequacy of this Charter.
- (c) **General Authority.** The Remuneration Committee will perform such other functions and have such other powers as may be necessary or appropriate in complying with the policies of this Charter.
- (d) The Remuneration Committee shall perform all its duties on the basis of the considerations required to be taken into account by the rules of any stock exchange on which the Company's ADSs or ordinary shares are listed, all applicable codes of practice and laws (including the QCA Corporate Governance Code and associated guidance) and the Remuneration Committee's view of good practice at the relevant time. In addition, while carrying out its duties,

the Remuneration Committee shall have due regard to their duties as Directors of the Company, including their duties under the U.K. Companies Act 2006.

5. Meetings and Minutes

- 5.1 The Remuneration Committee will meet not less than twice each year, but may meet whenever its members deem a meeting necessary or appropriate. The Remuneration Committee will determine where and when to meet and provide this schedule in advance to the Board.
- 5.2 Unless otherwise directed by the Remuneration Committee, each regularly scheduled meeting will conclude with an executive session that excludes members of management. From time to time, or when requested by the Board, the Chair of the Remuneration Committee will report to the Board.
- 5.3 The Remuneration Committee will maintain written minutes of its meeting and regularly report to the Board on its actions and recommendations. The Remuneration Committee may act by unanimous written consent; when it does so, those actions will be filed in the minute book.