



## 2019 AGM: Update Statement on Voting Results

16 December 2019

At the AGM of Arix Bioscience plc ("Arix") held on 3 June 2019, more than 20% of votes were cast against the following resolutions:

- **Resolution 2: Approval of the Directors' Remuneration Policy:** 49.7% votes against
- **Resolution 3: Approval of the Directors' Remuneration Report for 2018:** 67.6% votes against

The Board was naturally disappointed that these resolutions received substantial levels of opposition. A key reason for these outcomes was that two of Arix's largest shareholders voted against both resolutions in light of specific concerns they had with certain decisions taken by the Board. The holdings of these two shareholders were equivalent to approximately 50% of the shares voted at the AGM, giving them considerable influence over the final result.

The Board's analysis further concludes that, with the exception of these two shareholders, the vast majority of other investors voted in favour of the Directors' Remuneration Policy (Resolution 2). As disclosed in the 2018 Annual Report, the new Policy, which was the subject of a consultation exercise with major shareholders prior to being finalised, incorporates a number of features to align it with corporate governance best practice and Arix's strategic objectives. The Policy sets an appropriate framework for rewarding Arix's Directors and the Board believes it remains fit for purpose at the current time.

A larger number of shareholders voted against the Directors' Remuneration Report for 2018 (Resolution 3). The Board understands that, in addition to the opposition from the two investors mentioned above, a number of other shareholders had concerns with some other remuneration matters. These included the grant of an award under the Executive Incentive Plan to the Chairman in 2019 and the amendments to the terms of the Founder Options held by the CEO. An explanation for the Remuneration Committee's decisions in respect of these issues was included in the 2018 Directors' Remuneration Report. The Board considers that they were both one-off matters which will not be repeated.

The Board continues to welcome engagement with shareholders on remuneration matters and invites any further feedback on the Remuneration Policy and its implementation.

A final summary of views received from shareholders will be included in the Directors' Remuneration Report for 2019.