

ARIX BIOSCIENCE PLC
(the "Company" or the "Group")

**SCHEDULE OF MATTERS RESERVED FOR DECISION
BY THE FULL BOARD OF DIRECTORS (the "Board")**

As adapted and approved by a resolution of the Board on 13 December 20222022.

The Company has chosen to adopt the UK Corporate Governance Code ("the Code") as its preferred Governance Framework. The following schedule has been drafted in compliance with the Code and sets out those matters reserved for the board in accordance with good corporate governance practice of which are fully endorsed by the Company's Board.

1. BOARD LEADERSHIP AND COMPANY PURPOSE

- 1.1 The board has the overall responsibility to establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.
- 1.2 The board is responsible for assessing the basis on which the company generates and preserves value over the long-term and will describe via the company's annual report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the company's business model and how its governance contributes to the delivery of its strategy.

2. STRATEGY AND MANAGEMENT

- 2.1 Responsibility for the overall leadership of the Company and its subsidiaries and setting and monitoring the Company's purpose, values and standards.
- 2.2 Approval of the Company's long-term strategic aims and objectives and overall business and commercial strategy
- 2.3 Oversight of the Company's operations ensuring:
 - competent and prudent management;
 - sound planning;
 - maintenance of sound management and internal control systems;
 - adequate accounting and other records; and
 - compliance with statutory and regulatory obligations.
- 2.4 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 2.5 The Chief Executive Officer of the Company is responsible for the day-to-day management of the Company, and in discussion with the Board, for developing the Company's business strategy and objectives, and, once approved by the Board, ensuring their successful implementation.
- 2.6 Review of performance in the light of the Company's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 2.7 Approval of any material extension of the Company's activities into new markets
- 2.8 Any decision to cease to operate all or any material part of the Company's business.

- 2.9 The acquisition by the Company of any other company or business.
- 2.10 The Company entering into a joint venture with any other person.
- 2.11 Approving all material actions taken by the Company (and the Board shall determine “material” for these purposes)

3. STRUCTURE AND CAPITAL

- 3.1 Changes relating to the Company's capital structure including reduction of capital, share issues (except under employee share plans), share buy backs, including the use of treasury shares.
- 3.2 Major changes to the Company's corporate structure.
- 3.3 Changes to the Company's management and control structure.
- 3.4 Approval of any changes to the Company's status as a public listed company, its listing or the markets on which its securities are traded
- 3.5 Approval of any proposed alteration to the articles of association, registered office or name of the Company.
- 3.6 The incorporation of a new entity or branch or change in trading status of an existing company.
- 3.7 Approving any issue of securities of a subsidiary company to an entity other than the Company, where such issue is material in the context of the Company.
- 3.8 Approving any unbudgeted loans, guarantees or borrowings or any speculative financial transactions by the Group.
- 3.9 Approving any asset trades, pledges or other guarantees or security given by the Group for budgeted amounts in excess of £100,000 and for any unbudgeted amounts.

4. FINANCIAL REPORTING AND CONTROLS

- 4.1 Approval of the announcements relating to the preliminary results, half-year results and any trading updates, following recommendations from the Audit & Risk Committee
- 4.2 Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report following the appropriate recommendations from the relevant committees.
- 4.3 Approval of the Company's dividend policy.
- 4.4 Determination of any interim dividend and the recommendation (subject to the approval of shareholders in general meeting) of any final dividend to be paid by the Company or of any other distributions by the Company.
- 4.5 Approval of any significant changes in accounting policies or practices following recommendations from the Audit and Risk Committee.
- 4.6 Approval of the alteration of the Company's accounting reference date as recommended by the Audit and Risk Committee.
- 4.7 Approval of treasury policies, including foreign currency exposure and the use of financial derivatives as recommended by the Audit and Risk Committee.
- 4.8 Approval of any bank facilities or external loans.

- 4.9 Approval of material unbudgeted capital or operating expenditures above £500,000 in any one year.

5. INTERNAL CONTROLS

- 5.1 Ensuring maintenance of a sound system of internal control and risk management including:
- approving the Company's risk appetite statements;
 - determining and assessing the principal risks facing the Company, how they are managed and mitigated
 - receiving reports on, and reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives;
 - approving procedures for the detection of fraud and the prevention of bribery;
 - undertaking an annual assessment of these processes; and
 - approving an appropriate statement for inclusion in the annual report.

6. CONTRACTS, EXPENDITURE & INVESTMENTS

- 6.1 Approval of all material bank borrowings.
- 6.2 Approval of contracts which are material strategically or by reason of size, entered into by the Company.
- 6.3 Approval of contracts of the Company or any subsidiary not in the ordinary course of business, for example:
- all acquisitions or disposals of fixed assets (including intangible assets such as intellectual property) that has a value of more than £100,000;
 - material loans or indebtedness;
 - indemnities or guarantees where the maximum amounts payable could in aggregate exceed £100,000;
 - the creation of any mortgage, charge (fixed or floating), pledge, hypothecation or other encumbrance of a similar nature over all or any part of the undertaking, property and assets (both present and future); or
 - the issue of any financial instrument or derivative transaction, including bond issues, debenture issues and loan stock instruments.
- 6.4 The Executive Officer is authorised to enter into contracts on behalf of the company under the ordinary course of business. For any contracts outside of the normal course of business and in excess of £100K in value will be a matter reserved for Board approval under provision 6.3 of this schedule of matters.
- 6.5 Approval of all major capital projects or investments in excess of the amounts delegated to the authorising parties the Group. The delegated authorised limit is set out in provision 6.3 to this schedule of matters.
- 6.6 Approval of all major investment and divestment decisions and delegation of such decisions, within approved limits, to a committee of the Board and/or management as set out in the Company's investment approvals policy.

7. COMMUNICATION

- 7.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
- 7.2 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 7.3 Approval of press releases concerning matters decided by the Board.

8. BOARD MEMBERSHIP AND OTHER APPOINTMENTS

- 8.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
- 8.2 Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and on the Board.
- 8.3 Appointments to the Board, following recommendations by the Nomination Committee.
- 8.4 Selection of the chairman of the Board and the chief executive.
- 8.5 Appointment of the senior independent director to provide a sounding board for the chairman and to serve as intermediary for the other directors when necessary.
- 8.6 Membership and chairmanship of Board committees following recommendations from the Nomination Committee.
- 8.7 Continuation in office of directors at the end of their term of office when they are due to be re-elected by shareholders at the annual general meeting and otherwise as appropriate.
- 8.8 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.
- 8.9 Appointment or removal of the Company Secretary.
- 8.10 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.
- 8.11 Appointments to boards of subsidiaries.

9. REMUNERATION

- 9.1 On the recommendation of the Remuneration Committee, determining the remuneration policy for the executive directors, the Chair, the Company secretary and other senior executives.
- 9.2 Determining the remuneration of the non-executive directors, (excluding the Chair) subject to the articles of association and shareholder approval as appropriate. *Note: Provision 33 of the UK Corporate Governance Coded advises that the Chairs' remuneration should be a matter of delegated responsibility for the Remuneration Committee. This is also in accordance with Arix's Remuneration Committee ToR's*

- 9.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
- 9.4 Determining the annual cash bonus payments to directors and staff.

10. DELEGATION OF AUTHORITY

- 10.1 The division of responsibilities between the chairman, the chief executive and other executive directors, which should be clearly established, set out in writing and agreed by the Board.
- 10.2 Approval of the delegated levels of authority, including the chief executive's authority limits (which must be in writing).
- 10.3 Establishing Board committees and approving their terms of reference, and approving material changes thereto.

11. CORPORATE GOVERNANCE MATTERS

- 11.1 Approval of any listing particulars or prospectuses, circulars to holders of the Company's securities and recommendations in respect of any matters or notices which may be submitted to holders of the Company's securities in accordance with statutory or regulatory requirements, or the Company's articles of association
- 11.2 Convening an annual or extraordinary general meeting of the Company and approval of all resolutions and corresponding documentation to be put to shareholders
- 11.3 Undertaking a formal and rigorous periodic review of its own performance, that of its committees and individual directors, and the division of responsibilities.
- 11.4 Determining the independence of non-executive directors in light of their character, judgment and relationships.
- 11.5 Considering the balance of interests between shareholders, employees, customers and the community.
- 11.6 Receiving reports on the views of the Company's shareholders to ensure that they are communicated to the Board as a whole.
- 11.7 Authorising conflicts of interest where permitted by the Company's articles of association.
- 11.8 Granting of powers of attorney by the Company
- 11.9 Oversight of Environmental, Social and Governance ("ESG") matters as applicable including approval of the Company's strategy, priorities, plans and targets in respect of ESG
- 11.10 Review of the Group's overall corporate governance arrangements

12. POLICIES

- 12.1 Approval of policies, including:
 - (a) code of conduct;
 - (b) share dealing code;
 - (c) bribery prevention policy;
 - (d) whistleblowing policy;
 - (e) Investment Approvals Policy

- (f) communications policy including procedures for the release of price sensitive information; and charitable donations policy.

Adoption of (or making a material amendment or variation to) the Company's major policies on the conduct of its business, environmental, health and safety, insurance and risk management, treasury (including, for the avoidance of doubt, interest rate and foreign exchange and financial derivatives) and employment law issues.

13. OTHER

- 13.1 The making of political donations.
- 13.2 Approval of the appointment of the Company's principal professional advisers.
- 13.3 Prosecution, commencement, defence or settlement of litigation or an alternative dispute resolution mechanism involving above £10,000 or being otherwise material to the interests of the Company.
- 13.4 Approval of the overall levels of insurance for the Company including Directors' & Officers' liability insurance and indemnification of directors.
- 13.5 Major changes to the rules of the Company's pension scheme, or changes of trustees or, when this is subject to the approval of the Company, changes in the fund management arrangements.
- 13.6 Any decision likely to have a material impact on the Company from any perspective, including, but not limited to, financial, operational, strategic or reputational.
- 13.7 This schedule of matters reserved for Board decisions.

NOTES:

- 1. Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.
- 2. The Board will receive reports and recommendations from time to time on any matter which it considers significant to the Company.

As approved by the Board on 13 December 2022.

Peregrine Moncreiffe, Chair of the Board

For and on behalf of the Board of Arix Bioscience Plc.