

**VERONA PHARMAPLC**  
(the “Company”)

**NOMINATION AND CORPORATE GOVERNANCE COMMITTEE TERMS  
OF REFERENCE**

**Updated by the Board on December 18, 2020, effective January 1, 2021**

**CONSTITUTION**

1. The board of directors (the “**Board**”) hereby resolves to establish a committee of the Board to be known as the nomination and corporate governance committee (the “**Nomination Committee**”):
  - (a) to increase shareholder confidence in the Company’s corporate governance capability;
  - (b) to identify and recommend individuals qualified to become Board members and recommend to the Board the directors to be appointed to each committee of the Board;
  - (c) to review the Company’s succession planning with respect to both Board members and senior management appointments;
  - (d) develop and recommend to the Board corporate governance guidelines; and
  - (e) to oversee the evaluation of the Board.

**STRUCTURE AND MEMBERSHIP**

2. The members of the Nomination Committee shall be appointed by the Board (and may be removed by the Board with or without cause) and shall comprise such number of directors as the Board shall from time to time determine. Except as otherwise permitted by applicable rules of The Nasdaq Stock Market LLC (“**Nasdaq**”), each member of the Nomination Committee shall be an “independent director” as defined by Nasdaq Rule 5605(a)(2).
3. The Chair of the Nomination Committee shall be appointed by the Board. The membership of the Nomination Committee shall be set out in the annual report of the Company.
4. A quorum of the Nomination Committee shall be a majority of the members of the Nomination Committee then serving.

**ATTENDANCE AT MEETINGS**

5. The Nomination Committee may invite any outsiders to attend its meetings as it deems appropriate. The Nomination Committee may nominate one of its members, the company secretary or such other person as it deems appropriate to be the secretary of meetings.

## **FREQUENCY OF MEETINGS**

6. Meetings shall be held not less than once a year and at such other times as the Chair of the Nomination Committee shall require.

## **NOTICE OF MEETINGS**

7. Meetings of the Nomination Committee shall be summoned at the request of any of its members.
8. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than 2 days before the date of the meeting. Any supporting papers shall be sent to each member of the Nomination Committee (as appropriate) at the same time.

## **VOTING ARRANGEMENTS**

9. Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
10. If a matter that is considered by the Nomination Committee is one where a member of the Nomination Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
11. Save where he or she has a personal interest, in the event of an equality of votes the Chair of the Nomination Committee will have a second or casting vote.

## **AUTHORITY**

12. The Nomination Committee is authorized by the Board to conduct or authorize investigations on any activity within its terms of reference as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Nomination Committee or any advisors engaged by the Nomination Committee.
13. The Nomination Committee is authorized to obtain, at the Company's expense, outside legal or other independent professional advice, including search firms, on any matter within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

## **DUTIES AND TERMS OF REFERENCE**

14. The Nomination Committee shall:
  - (a) regularly evaluate the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;

- (b) in light of the evaluation under paragraph (a) above, prepare a description of the role and capabilities required for a particular appointment;
- (c) except where the Company is legally required by contract, bylaw or otherwise to provide third parties with the right to nominate directors, identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise. The criteria to be used by the Nomination Committee in recommending directors and by the Board in nominating directors are as set forth in the Company's corporate governance guidelines. The Nomination Committee may adopt, and periodically review and revise, as it deems appropriate, procedures regarding director candidates proposed by stockholders;
- (d) put in place plans for the orderly succession of appointments to the Board and to senior management, taking into account the challenges and opportunities facing the Company and the skills and experience needed within the Company and on the Board, including an emergency succession plan for the Chief Executive Officer;
- (e) keep under review the leadership needs of the Company, both executive and non- executive, with a view to ensuring the continued ability of the Company to compete effectively in the market;
- (f) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- (g) make recommendations to the Board on the membership of the Audit, Remuneration and Nomination Committees, in consultation with the chairs of those committees;
- (h) make recommendations to the Board concerning the reappointment, or not, of any non-executive director at the conclusion of his or her specified term of office;
- (i) make recommendations to the Board for the continuation, or not, in service of an executive director as an executive or non-executive director;
- (j) make recommendations to the Board for the continuation, or not, in service of any director who has reached the age of 70;
- (k) recommend to the Board directors who will be retiring by rotation to be proposed for re-election;
- (l) recommend to the Board directors who will have been in office for 3 years to stand for re-election;
- (m) develop and recommend to the Board corporate governance guidelines applicable to the Company. The Nomination Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of such corporate governance guidelines and recommend any proposed changes to the Board for approval;

- (n) be responsible for overseeing a periodic self-evaluation of the Board to determine whether it and its committees are functioning effectively; and
- (o) consider other matters as referred to the Nomination Committee by the Board.

**15.** The Nomination Committee shall:

- (a) give due consideration to applicable laws and regulations, including the requirements under the Companies Act 2006, the requirements of the Nasdaq rules or any other national or global securities exchange on which the Company's securities are listed and any other applicable rules, as appropriate; and
- (b) periodically evaluate its own performance and periodically review and assess 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.

**PROCEDURES AND ADMINISTRATION**

- 16.** The Nomination Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member) as it deems appropriate from time to time under the circumstances.
- 17.** The Chair of the Nomination Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 18.** The secretary shall circulate the minutes of meetings of the Nomination Committee to all members of the Board. The Nomination Committee may, in addition, at any time request a full meeting of the Board at which its conclusions shall be reported.
- 19.** The Nomination Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 20.** The recommendations of the Nomination Committee must be approved by the Board before they can be implemented.
- 21.** The Committee shall compile a report to shareholders on its activities to be included in the Company's annual report.
- 22.** The Chair of the Nomination Committee shall attend each Annual General Meeting of the Company to respond to any questions on the Nomination Committee's activities.

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