

## Directors' Remuneration Policy

(not subject to audit)

We have included below the parts of the Directors' Remuneration Policy that we think shareholders will find most useful, but with the table of service contracts updated to reflect the current circumstances. The full Policy as approved at the AGM on 27 May 2021 is included in the Company's Directors' Remuneration Report for the year ended 31 December 2020, which is available on the Company's website at [www.oxb.com](http://www.oxb.com).

### Policy table

Component and purpose	Operation	Maximum potential	Performance targets and metrics
<b>Executive Directors</b>			
<b>Base salary</b>			
To provide a base salary which is sufficient to attract and retain Executive Directors of a suitable calibre.	Base salaries are initially set by reference to market information at the time of appointment and taking into account the experience and previous package of the new Executive Director. Base salaries are normally reviewed annually taking into account a number of factors which may include (but are not limited to): <ul style="list-style-type: none"> <li>– underlying Group performance;</li> <li>– role, experience and individual performance;</li> <li>– competitive salary levels and market forces; and</li> <li>– pay and conditions elsewhere in the Group.</li> </ul> Any changes are normally effective from 1 January.	While there is no maximum salary, increases will normally be in line with the level of salary increase awarded (in percentage of salary terms) to other employees in the Group. Salary increases above this level may be awarded in appropriate circumstances, such as, but not limited to: <ul style="list-style-type: none"> <li>– where an Executive Director has been promoted or has had a change in scope or responsibility;</li> <li>– to reflect an individual's development or performance in role (e.g. to align a newly appointed Executive Director's salary with the market over time);</li> <li>– where there has been a change in market practice; or</li> <li>– where there has been a change in size and/or complexity of the business.</li> </ul> Such increases may be implemented over such time period as the Remuneration Committee deems appropriate.	While no formal performance conditions apply, an individual's performance in role is taken into account in determining any salary increase.
<b>Benefits</b> To provide benefits on a market competitive basis.	Benefits are provided in line with market practice and may include medical insurance (including for the Executive Director's spouse or partner and dependants), life assurance, permanent health insurance, provision of a company car or a car allowance, assistance with the preparation of tax returns, tax equalisation arrangements, other benefits consistent with those typically offered in their country of residence and other appropriate benefits determined by the Remuneration Committee. Additional benefits may be provided based on individual circumstances, including the location of the Executive Director. These may include, for example, travel expenses.	There is no predetermined maximum but the totals are reviewed annually by the Remuneration Committee.	Not applicable.
<b>Retirement benefits</b> To provide funding for retirement.	The Group operates a defined contribution scheme for all employees, including Executive Directors. In appropriate circumstances, such as where contributions exceed the annual or lifetime allowance, Executive Directors may be permitted to take a cash supplement instead of some or all of the contributions to a pension plan. Non-UK national Executive Directors may be permitted to participate in home country pension arrangements where appropriate.	<p><b>Any Executive Director appointed before 1 January 2021</b> A maximum employer contribution or cash supplement (or combination thereof):</p> <ul style="list-style-type: none"> <li>– of 15% of base salary up to 31 December 2022; and</li> <li>– with effect from 1 January 2023, not exceeding the contribution available to the wider workforce (currently 7.5%).</li> </ul> <p><b>Any Executive Director appointed after 1 January 2021</b> A maximum employer contribution or cash supplement (or combination thereof) not exceeding the contribution available to the wider workforce (currently 7.5%).</p>	Not applicable.

# Corporate Governance

## Directors' Remuneration Report

Component and purpose	Operation	Maximum potential	Performance targets and metrics
<p><b>Sharesave scheme</b></p> <p>To create alignment with the Group and promote a sense of ownership.</p>	<p>Executive Directors are entitled to participate in a tax qualifying all employee Sharesave scheme under which they may make monthly savings contributions over a period of three or five years linked to the grant of an option over the Company's shares with an option price which can be at a discount of up to 20% to the market value of shares at grant (or such other discount as may be permitted by the applicable legislation from time to time).</p> <p>Executive Directors will be able to participate on the same basis as other qualifying employees in any other all-employee share scheme adopted by the Group.</p>	<p>For the Sharesave scheme, participation limits and the level of discount permitted in setting the exercise price are those set by the UK tax authorities from time to time.</p> <p>For any other all-employee share plan, the maximum will be determined in accordance with the plan rules and will be the same as for other qualifying employees.</p>	<p>Not subject to performance measures in line with usual practice.</p>
<p><b>Annual bonus</b></p> <p>To incentivise and reward delivery of the Group's objectives.</p> <p>Delivery of part of the bonus in deferred shares aligns the incentive package with shareholders' interests.</p>	<p>Bonus targets and measures are typically reviewed annually and any pay-out is determined by the Remuneration Committee after the year end.</p> <p>The Remuneration Committee has discretion to amend the pay-out should: (1) any potential pay-out not reflect the Remuneration Committee's assessment of overall performance; (2) any potential pay-out be inappropriate in the context of circumstances that were unexpected or unforeseen at the start of the performance period; or (3) there be any other reason why an amendment is appropriate.</p> <p>Ordinarily, 50% of the bonus is delivered as cash and 50% is delivered in deferred shares. The Remuneration Committee may permit or require the deferral of a greater proportion of any bonus earned.</p> <p>Deferred shares ordinarily become exercisable in three equal instalments on the first, second and third anniversaries of the award. The deferred shares are not subject to further performance targets.</p> <p>Additional shares may be awarded in respect of deferred shares to reflect the value of dividends over the deferral period. These dividend equivalents may assume the reinvestment of dividends into shares on a cumulative basis.</p> <p>Recovery provisions apply as summarised on the next page.</p>	<p><b>Any Overseas Executive Director</b> The maximum bonus opportunity is 200% of base salary.</p> <p><b>Any Executive Director appointed before 1 January 2021 and any Executive Director appointed after that date who is not an Overseas Executive Director</b> The maximum bonus opportunity is 150% of base salary.</p>	<p>The performance metrics may be based on financial or strategic objectives (which may include ESG metrics and individual objectives). Metrics and targets are set by the Remuneration Committee taking into account the strategic needs of the business. Financial objectives are typically assessed over a financial year, but may be assessed over part of the year.</p> <p>Given the nature of the business, these objectives and metrics may change significantly each year.</p> <p>There is no minimum bonus earned if threshold performance is not met. For financial metrics, up to 50% of the maximum which may be earned for a metric is earned for on-target performance, rising to 100% for meeting or exceeding the maximum level of performance. For strategic objectives, the bonus will be earned between 0% and 100% based on the Remuneration Committee's assessment of the extent to which the objective has been achieved.</p>

Component and purpose	Operation	Maximum potential	Performance targets and metrics
<p><b>Long Term Incentives</b> To augment shareholder alignment by providing Executive Directors with longer term interests in shares whilst requiring challenging performance before the awards vest.</p>	<p>At the discretion of the Remuneration Committee, annual grants of nil or nominal cost shares awards ("Performance Shares Awards") which vest subject to the achievement of performance targets, typically assessed over a three-year performance period.</p> <p><b>Holding period</b> Vested shares will be subject to a holding period of two years after vesting before they are "released". The holding period will be structured either on the basis that: (1) the Executive Director is not entitled to acquire shares until the end of it; or (2) the Executive Director is entitled to acquire shares following vesting but that (other than as regards sales to cover tax liabilities and any exercise price) the Executive Director is not able to dispose of those shares until the end of it.</p> <p><b>Dividend equivalents</b> Additional shares may be awarded in respect of any Performance Shares Award to reflect the value of dividends over the period between the grant and the date on which the Executive Director is first able to acquire the vested shares. These dividend equivalents may assume the reinvestment of dividends into shares on a cumulative basis.</p> <p>Recovery provisions apply as summarised below.</p>	<p><b>Any Overseas Executive Director</b> The maximum Performance Shares Award in respect of a financial year is 500% of base salary.</p> <p><b>Any Executive Director appointed before 1 January 2021 and any Executive Director appointed after that date who is not an Overseas Executive Director</b> The maximum Performance Shares Award is: – 175% of base salary in respect of a financial year for an Executive Director other than the CEO; and – 200% of base salary in respect of a financial year for the CEO.</p>	<p>Performance conditions will be based on financial measures or the achievement of strategic objectives (which may include ESG metrics). Financial measures may include (but are not limited to) share price and revenue measures.</p> <p>The Remuneration Committee has discretion to amend the formulaic vesting out-turn should: (1) any formulaic output not reflect the Remuneration Committee's assessment of overall performance; (2) any formulaic output be inappropriate in the context of circumstances that were unexpected or unforeseen at the date of grant; or (3) there be any other reason why an amendment is appropriate.</p> <p>For the achievement of threshold performance in respect of a financial measure, up to 25% of the award will vest rising to 100% of the award vesting for achieving or exceeding maximum performance; for below threshold performance, none of the award will vest.</p> <p>For strategic measures, vesting will be determined between 0% and 100% depending upon the Remuneration Committee's assessment of the extent to which the measure has been achieved.</p>

## Notes to the policy table

### Recovery provisions

The annual bonus and long-term incentive awards are subject to malus and clawback provisions as follows:

#### Annual bonus:

For up to two years following the payment of an annual bonus award the Remuneration Committee may require the repayment of some or all of the cash award in the relevant circumstances (clawback). Deferred bonus awards which have not yet become exercisable may be cancelled or reduced in the relevant circumstances (malus). For up to one year following the first instalment of deferred shares becoming exercisable, the Remuneration Committee may require the repayment of some or all of the deferred shares in the relevant circumstances (clawback).

#### Long term incentive awards:

The Remuneration Committee has the right to reduce, cancel or impose further conditions on unvested awards in the relevant circumstances (malus). For up to two years following the vesting of a long term incentive award the Remuneration Committee may require the repayment of some or all of the award in the relevant circumstances (clawback).

Circumstances in which malus and/or clawback may be applied Malus or clawback may be applied in the event of:

- A material misstatement of the Group's financial results;
- An error in the information or assumptions on which the award was granted or vests including an error in assessing any applicable performance conditions;
- A material failure of risk management by the Group;
- Serious reputational damage to the Group;
- Material misconduct on the part of the participant; or
- Material corporate failure.

### Share ownership guidelines

To align Executives with shareholders and provide an ongoing incentive for continued performance, the Remuneration Committee has adopted formal share ownership guidelines, which apply both during and after employment.

#### Shareholding guidelines during employment

Executive Directors are required to build and maintain a minimum level of shareholding equal to their normal annual LTIP opportunity. Executive Directors will be required to retain half of any post-tax (and if relevant, post exercise price) awards which vest under the long-term incentive plans, and half of any post-tax deferred shares becoming exercisable under the annual bonus, until the share ownership guideline has been satisfied. Shares which are fully owned with no outstanding vesting criteria count towards the shareholding guideline together with deferred annual bonus shares and shares subject to Performance Shares Awards which have vested but which are in a holding period (in each case, on a net of tax basis).

#### Shareholding requirement after employment

Shares are subject to this requirement only if they are acquired from long term incentive or deferred bonus awards granted after 1 January 2019. Following employment, an Executive Director must retain such of the relevant shares as have a value at cessation equal to their in-service shareholding requirement, with the required holding tapering to zero over a two-year period. If the Executive Director holds less than the required number of relevant shares at any time, they will be required to retain all of those shares.

### Performance targets and metrics

Performance targets for the annual bonus are set by the Remuneration Committee after taking into account the strategic needs of the business. A key component of the Group's strategy is to develop cell and gene therapy products from pre-clinical proof of concept through to the end of Phase I or Phase II clinical studies before partnering or out-licencing. Annual bonus targets for a particular year are therefore likely to include specific product development targets depending on the stage of development of each opportunity. The annual bonus objectives are also likely to include targets related to generating recurring revenues such as from manufacturing or development services to third parties.

The performance metrics for long term incentives are determined to ensure that the most appropriate targets are set for the Group's situation at the time. The approach to performance measures for the awards to be granted in 2022 is set out on page 107. It is the Group's current intention that up to 30% of the overall long term incentive opportunity may be based on the delivery of specific strategic milestones in the future. It is intended that there will continue to be a performance underpin, such that the awards will only vest to the extent that the Remuneration Committee considers that the overall performance of the business across the period justifies it.

The Remuneration Committee retains the ability to adjust or set different performance measures if events occur (such as a change in strategy, a material acquisition and/or a divestment of a Group business, or a change in prevailing market conditions) which cause the Remuneration Committee to determine that the measures are no longer appropriate, and that amendment is required so that they achieve their original purpose.

### Operation of share plans

Awards and options may be adjusted in the event of a variation of share capital or other relevant event in accordance with the rules of the applicable share plan. The Group's share plans may be operated in accordance with their terms, including that awards may be granted as cash based awards over a notional number of shares, and that share awards may be settled in whole or in part in cash at the election of the Remuneration Committee; the Remuneration Committee would only use these cash provisions for operational flexibility, for example if a regulatory restriction in any territory prevented the Company from offering shares to an Executive Director. Where a long-term incentive award is granted as a "Market Value Option" as referred to in the "Approach to recruitment remuneration" section below, it may be settled on the basis that the participant receives for nil-cost a number of shares with a market value equal to the "gain" at exercise in the vested shares.

## Differences in remuneration policy for all employees

The structure of the reward package for the wider employee population is based on the principle that it should be sufficient to attract and retain the best talent and be competitive within the biotech sector, remunerating employees for their contribution linked to the Group's holistic performance.

All employees receive a base salary and are entitled to participate in benefits, including the Group's defined contribution pension scheme to which the Group contributes.

In 2020, the Group introduced a Group-wide cash bonus scheme which will give employees at all levels the opportunity to share in the success of the Group by receiving a cash bonus linked to their grade level and their own personal performance. The maximum bonus receivable varies between the participating employees. 50% of the bonuses of the Executive Directors' and Senior Executive Team are delivered in deferred shares, whereas all other staff receive 100% of their bonuses in cash.

Where possible, the Group also encourages employee share ownership through a number of share plans that allow employees to benefit from the Group's success. Generally speaking, a much higher proportion of total remuneration for the Executive Directors is linked to business performance, compared to the rest of the employee population, so that remuneration will increase or decrease in line with business performance and to align the interests of Executive Directors and shareholders.

## Consideration of employment conditions elsewhere in the Group

Each year the Remuneration Committee is briefed on the structure and quantum of the all-employee remuneration framework as well as throughout the year being informed about the context, challenges and opportunities relating to the remuneration of the wider workforce to enable the Remuneration Committee to consider the broader employee context when making Executive remuneration decisions.

The Chief Executive Officer determines the overall salary increases and bonuses for all employees, other than the Executive Directors, the Senior Executive Team and Company Secretary which are subject to the approval of the Remuneration Committee. The Group is committed to offering highly competitive reward packages for all employees. Every year, the Group benchmarks salaries and benefits against the local biotech and pharmaceutical market which informs the decision making process. The Chief Executive Officer discusses the overall increase in payroll cost and the total amount to be paid in bonuses with the Chair of the Remuneration Committee before implementing the salary increases and bonuses.

The Remuneration Committee spent considerable time in the second half of 2020 formulating this Remuneration Policy (set out on pages 123 to 125) which included canvassing the views of shareholders. Post consultation the Remuneration Committee engaged with the workforce on the Policy and Executive pay via the WEP in compliance with Provision 41 of the Corporate Governance Code.

Component and purpose	Operation	Maximum potential
<b>Non-Executive Directors</b>		
<b>Non-Executive Directors' fees and benefits</b> To compensate Non-Executive Directors for their services to the Group.	<p>The Chair's fees are set by the Remuneration Committee.</p> <p>The fees of other Non-Executive Directors are determined by the Board.</p> <p>The Chair and Non-Executive Directors may be eligible to receive benefits such as the use of secretarial support, assistance with the preparation of tax returns, or other benefits that may be appropriate.</p> <p>Travel and accommodation expenses in connection with attendance by the Chair and Non-Executive Directors at Board meetings (and any tax thereon) are paid by the Company.</p> <p>The Chair and Non-Executive Directors do not participate in any of the Group's incentive plans and do not receive pension contributions.</p>	<p>There is no overall maximum, but fees are set taking into account the responsibilities of the role and expected time commitment.</p> <p><b>Base fee and additional fees</b> Non-Executive Directors receive a base fee, with additional fees for chairing Board Committees and holding the office of Senior Independent Director. Supplementary fees may be paid for other responsibilities or time commitments.</p> <p><b>Additional fees for Non-Executive Directors based outside the UK</b> An additional fee may be paid to any Non-Executive Director outside the UK to recognise the additional time commitment associated with their role.</p> <p>An additional fee of up to £50,000 per annum may be paid to any Non-Executive Director recruited from or based in the United States to reflect market levels of remuneration in the United States for Non-Executive Directors, subject to their agreement that the after tax amount of this additional fee will be applied in the acquisition of shares at market value which must be retained for at least 12 months from acquisition.</p>

# Corporate Governance

## Directors' Remuneration Report

### Service contracts and policy on payment for loss of office

Executive Directors' service contracts are subject to 12 months' notice from both the Group and from the Director. Executive Directors may be required to work during the notice period or be paid in lieu of notice if not required to work for the full notice period.

The details of service contracts and letters of appointment of those who served as Directors during the year are:

<b>Service contracts</b>	Contract date	Unexpired term at 31 December 2021	Notice period
John Dawson	10 October 2008	N/A	12 months
Stuart Paynter	29 August 2017	N/A	12 months

<b>Letters of appointment</b>	Date of appointment	Unexpired term at 31 December 2021	Notice period
Dr. Roch Doliveux	24 June 2020	17 months	3 months
Martin Diggle	4 October 2015	N/A <sup>1</sup>	3 months
Dr. Andrew Heath	1 January 2016	N/A <sup>2</sup>	3 months
Stuart Henderson	1 June 2016	5 months	3 months
Dr. Heather Preston	15 March 2018	25 months	3 months
Robert Ghenchev	24 June 2019	5 months	3 months
Dr. Sam Rasty	1 December 2020	23 months	3 months
Professor Dame Kay Davis	1 March 2021	26 months	3 months
Dr. Michael Hayden	15 July 2021	31 months	3 months
Catherine Moukeibir	14 December 2021	35 months	3 months

<sup>1</sup> Martin Diggle retired from the Board on 3 February 2021.

<sup>2</sup> Dr. Andrew Heath retired from the Board on 27 May 2021.

All Directors are subject to re-election by shareholders on an annual basis.

The principles on which the determination of payments for loss of office will be approached are set out below:

	<b>Policy</b>
<b>Payment in lieu of notice</b>	Contractual termination payments may not exceed the Director's current salary and benefits (including pension contributions and any applicable salary supplement) for the notice period. Alternatively, the Company may continue to provide the relevant benefits.
<b>Annual Bonus</b>	This will be at the discretion of the Remuneration Committee on an individual basis and the decision as to whether or not to award a bonus in full or in part will be dependent on a number of factors, including the circumstances of the individual's departure and their contribution to the business during the bonus period in question. Any bonus amounts paid will typically be pro-rated for time in service during the bonus period and will, subject to performance, be paid at the usual time (although the Remuneration Committee retains discretion to pay the bonus earlier in appropriate circumstances). The Remuneration Committee has discretion to pay the whole of any bonus earned for the year of departure and preceding year in cash.
<b>Deferred Bonus Awards</b>	The extent to which any unvested award will vest will be determined in accordance with the applicable share plan rules.  Unvested awards will normally lapse on cessation of employment. However, if a participant leaves due to death, ill-health, injury, disability, the sale of his employer or any other reason at the discretion of the Remuneration Committee, the Remuneration Committee shall determine whether the award will vest at cessation or at the normal date. In either case, this will be determined by the Remuneration Committee, taking into account, unless the Remuneration Committee determines otherwise, the period of time elapsed from the date of grant to the date of cessation relative to the deferral period. Awards may then be exercised during such period as the Remuneration Committee determines. Awards which have already become exercisable at the date of cessation may be exercised for such period as the Remuneration Committee determines.
<b>Long Term Incentives</b>	The treatment of long term incentive awards will be determined in accordance with the applicable share plan rules.  <b>Unvested awards</b> Unvested long term incentive awards will normally lapse on cessation of employment. However, if a participant leaves due to death, ill-health, injury, disability, the sale of his employer or any other reason at the discretion of the Remuneration Committee, the Remuneration Committee shall determine whether the award will vest at cessation or continue until the end of the performance period. In either case, the extent of vesting will be determined by the Remuneration Committee taking into account the extent to which the performance condition is satisfied and, unless the Remuneration Committee determines otherwise, the period of time elapsed from the date of grant to the date of cessation relative to the performance period. If the award continues, the holding period will ordinarily apply until its originally anticipated end date, although the Remuneration Committee has discretion to release the award at an earlier date.  <b>Vested awards in a holding period</b> If an Executive Director ceases employment with the Group after an award has vested but before the end of its holding period, the award will continue to the end of the holding period (unless the cessation is for summary dismissal, in which case it will lapse). The award will be released to the extent it has vested by reference to the performance conditions. The Remuneration Committee retains discretion to release the award at cessation.
<b>Change of control</b>	<b>Unvested awards</b> The extent to which unvested deferred bonus awards and long term incentive awards will vest will be determined in accordance with the rules of the relevant plan. – Deferred bonus awards will vest in full in the event of a takeover, merger or other relevant corporate event. – Long term incentive awards will vest early on a takeover, merger or other relevant corporate event. The Remuneration Committee will determine the level of vesting taking into account the extent to which the performance condition is satisfied and, unless the Remuneration Committee determines otherwise, the period of time elapsed from the date of grant to the date of the relevant event relative to the performance period.  <b>Vested awards in a holding period</b> Vested long term incentive awards will be released on a takeover, merger or other relevant corporate event to the extent they have vested by reference to the performance conditions.
<b>Other payments</b>	Payments may be made either in the event of a loss of office or a change of control under the Sharesave scheme, which is governed by its rules and the legislation relating to such tax qualifying plans. There is no discretionary treatment for leavers or on a change of control under this scheme.  In appropriate circumstances, payments may also be made in respect of accrued holiday, outplacement and legal fees and any other all-employee share plan.  In cases where an Executive Director was recruited from outside the UK and has been relocated to the UK as part of their appointment, the Company will pay reasonable repatriation costs for leavers at the Remuneration Committee's discretion. The Remuneration Committee retains discretion to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment.  Where a 'buyout' or other award is made in connection with recruitment, the leaver provisions would be determined no later than the time of the award.

The Directors' Remuneration Report is approved by the Remuneration Committee and the Board and signed on their behalf

**Dr. Heather Preston**

Chair, Remuneration Committee

20 April 2022