

**Mereo BioPharma Group plc
("The Company")**

Research and Development Committee

Terms of Reference

Mereo BioPharma Group plc ("The Company")

RESEARCH AND DEVELOPEMENT COMMITTEE TERMS OF REFERENCE

Reference to "the Board" shall mean the board of directors

Reference to "the Committee" shall mean the Research and Development Committee

Reference to "the Code" shall be to the UK Corporate Governance Code.

The Committee was established by the Board on 19 October 2015.

1. Membership

- 1.1 The Committee shall be made up of at least three members of whom all are independent non-executive directors. Members of the Committee shall be appointed by the Board.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chief executive, the chief medical officer, and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 1.3 Appointments to the Committee shall be for a period of up to three years which may be extended for a further two periods of up to three years provided the director still meets the criteria for membership of the committee
- 1.4 The Board shall appoint the Committee chairman who should either be the chairman of the Board or an independent non-executive director. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The chairman of the Board shall not chair the Committee when it is dealing with the matter of succession of the chairmanship.
- 1.5 The initial members of the Committee shall be Dr Frank M Armstrong (Chair), Dr Anders Ekblom, Mr Peter Bains.

2. **Secretary**

2.1 The company secretary or their nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

3. **Quorum**

3.1 The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. **Meetings**

4.1 The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require.

5. **Notice of Meetings**

5.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of the Committee chairman.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive director no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

6. **Minutes of Meetings**

6.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.

6.2 Draft minutes of Committee meetings shall be circulated promptly within fourteen days of the meeting to all members of the Committee, and, once agreed, to all members of the board, unless in the opinion of the Committee chairman a conflict of interest exists or it would be inappropriate to do so.

7. **Annual Meeting**

The Committee chairman should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

8. **Duties**

The Committee shall carry out the duties detailed below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate (and references to the Company shall be interpreted accordingly):

- i. provide oversight of the Research and Development activities of the Company;*
- ii. provide assurance to the Board on the quality, competitiveness and integrity of the Company's Research and Development;*
- iii. provide oversight to the relationship with key Research and Development suppliers, including providing specific oversight of the relationship with contract research organisations e.g. ICON;*
- iv. keep up to date and fully informed about strategic issues and commercial changes affecting the Research and Development activities of the Company and the market in which it operates;*
- v. provide oversight of the strategic development plans for products in the portfolio; and*
- vi. provide oversight of the acquisition of new products into the Company.*

9. Reporting Responsibilities

- 9.1 The Committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10. Other

The Committee shall:-

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 10.3 give due consideration to laws and regulations, the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate; and
- 10.4 at least once a year, review its own performance, 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.

11. **Authority**

- 11.1 The Committee is authorised by the Board to seek any information it requires from any employee of the company in order to perform its duties;
- 11.2 In connection with its duties, the Committee is authorised by the Board to obtain, at the company's expense, any outside legal or other professional advice (subject to any budgetary constraints imposed by the Board).