



**NUCANA PLC (the “Corporation”)**

**TERMS OF REFERENCE FOR REMUNERATION COMMITTEE**

The following terms of reference (the “charter”) were proposed and adopted by a resolution of the Board on 14<sup>th</sup> September 2017.

The Remuneration Committee is established under article 26.3 of the Articles of Association of the Corporation.

**I. PURPOSE**

The purpose of the Remuneration Committee (the “Committee”) of the Board of Directors (the “Board”) of **NuCana plc** is:

1. To discharge the responsibilities of the Board relating to compensation of the Corporation’s directors and executive officers;
2. To assist the Board in establishing appropriate incentive compensation and equity-based plans and to administer such plans; and
3. To oversee the annual process of evaluation of the performance of the Corporation’s management; and
4. To perform such other duties and responsibilities as enumerated in and consistent with this charter.

**II. MEMBERSHIP AND PROCEDURES**

**A. Membership and Appointment**

The Committee shall be comprised of not fewer than two members of the Board, as shall be determined from time to time by the Board. The members of the Committee shall be elected by the Board, or the committee thereof responsible for nominations of directors, as applicable, and shall hold office until their resignation or removal or until their successors shall be duly elected and qualified.

A majority of the members of the Committee shall be independent non-employee directors. In addition to the general independence standard required for membership on the Committee, Members of the Remuneration Committee must make any personal financial interests known to the Remuneration Committee as soon as any such interest arises.

B. Removal

The entire Committee or any individual Committee member may be removed without cause by the affirmative vote of a majority of the Board. Any Committee member may resign effective upon delivery of oral or written notice to the Chairman of the Board, the Secretary of the Corporation, or the Board (unless the notice specifies a later time for the effectiveness of such resignation). The Board may elect a successor to assume the available position on the Committee when the resignation becomes effective.

C. Chairperson

A chairperson of the Committee (the “Chairperson”) may be designated by the Board. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson shall determine the agenda for and the length of meetings and shall have unlimited access to management and to information relating to the Committee’s purposes. The Chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Committee.

D. Meetings, Minutes and Reporting

The Committee shall meet at least two times per year and at such other times as it deems necessary to carry out its responsibilities. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. Save as provided in this charter, meetings of the Committee (or any subcommittee thereof) shall be governed, *mutatis mutandis* by the provisions of the Corporation’s Articles of Association relating to meetings and proceedings of directors.

The Committee shall keep full and complete minutes of the proceedings of the Committee. In addition to the specific matters set forth herein requiring reports by the Committee to the full Board, the Committee shall report such other significant matters as it deems necessary concerning its activities to the full Board. The Committee may appoint a Secretary whose duties and responsibilities shall be to keep records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a member of the Committee or a director and shall have no membership or voting rights by virtue of the position.

E. Delegation

The Committee may, by resolution passed by a majority of the Committee members, designate one or more subcommittees, each subcommittee to consist of at least two members of the Committee. Any such subcommittee, to the extent provided in the resolutions of the Committee and to the extent not limited by applicable law, shall have and may exercise all the powers and authority of the Committee. Each subcommittee shall have such name as may be determined from time to time by resolution adopted by the Committee. Each subcommittee shall keep regular minutes of its meetings and report the same to the Committee or the Board when required.

#### F. Authority to Retain Advisors

The Committee shall have authority to retain or obtain the advice of such compensation consultants, legal counsel, experts and other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall be directly responsible for the appointment, compensation and oversight of its consultants, legal counsel, experts and advisors and shall have sole authority to approve their fees and retention terms, and the Corporation shall provide funding for such fees and related expenses.

Before selecting any such consultant, legal counsel, expert or advisor, the Committee shall consider the following independence factors:

- The provision of other services to the Corporation by the entity that employs the consultant, legal counsel, expert or advisor (the “Employing Firm”).
- The amount of fees received from the Corporation by the Employing Firm, as a percentage of the total revenue of the Employing Firm.
- The policies and procedures of the Employing Firm that are designed to prevent conflicts of interest.
- Any business or personal relationship of the consultant, legal counsel, expert or advisor with a member of the Committee.
- Any business or personal relationship of the consultant, legal counsel, expert, advisor or Employing Firm with an executive officer of the Corporation.
- Any shares of the Corporation owned by the consultant, legal counsel, expert or advisor.

### III. DUTIES AND RESPONSIBILITIES

The following shall be recurring duties and responsibilities of the Committee in carrying out its purposes. These duties and responsibilities are set forth below as a guide to the Committee, with the understanding that the Committee or the Board may alter or supplement them as appropriate under the circumstances, to the extent permitted by applicable laws, rules and regulations.

1. Establish a compensation policy for executive officers in compliance with the requirements of the Companies Act 2006 (the “Act”) designed to (i) enhance the profitability of the Corporation and increase shareholder value, (ii) reward executive officers for their contribution to the Corporation’s growth and profitability, (iii) recognize individual initiative, leadership, achievement, and other contributions and (iv) provide competitive compensation that will attract and retain qualified executives.
2. Subject to compliance with the Act and variation where appropriate, the compensation policy for executive officers shall include (i) base salary, which shall be set on an annual or other periodic basis, (ii) annual or other time or project based incentive compensation, which shall be awarded for the achievement of predetermined financial, project, research or other designated objectives of the Corporation as a whole and of the executive officers

- individually and (iii) long-term incentive compensation in the forms of equity participation and other awards with the goal of aligning, where appropriate, the long-term interests of executive officers with those of the Corporation's shareholders and otherwise encouraging the achievement of superior results over an extended time period.
3. Review competitive practices and trends to determine the adequacy of the executive compensation program.
  4. Review and consider participation and eligibility in the various components of the total executive compensation package.
  5. Annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board the CEO's compensation levels based on this evaluation; the CEO may not be present during any deliberations or voting with respect to the CEO's compensation.
  6. Annually review and make recommendations to the Board with respect to compensation of directors and executive officers of the Corporation other than the CEO.
  7. Approve employment contracts, severance arrangements, change in control provisions and other agreements.
  8. Approve and administer cash incentives and deferred compensation plans for executive officers (including any modification to such plans) and oversight of performance objectives and funding for executive incentive plans.
  9. Approve and oversee reimbursement policies for directors and executive officers.
  10. Approve and oversee compensation programs involving the use of the Corporation's shares.
  11. If the Corporation is required by applicable Securities and Exchange Commission ("SEC") rules to include a Compensation Discussion and Analysis ("CD&A") in its SEC filings, review the CD&A prepared by management, discuss the CD&A with management and, based on such review and discussions, recommend to the Board that the CD&A be included in the Corporation's Annual Report on Form 20-F, proxy statement, or any other applicable filing as required by the SEC.
  12. Review all compensation policies and practices for all employees to determine whether such policies and practices create risks that are reasonably likely to have a material adverse effect on the Corporation.
  13. Recommend to the Board that the shareholders of the Corporation approve, on an advisory basis, the compensation of the named executive officers of the Corporation, as disclosed in the Corporation's proxy statement, if such proposal will be contained in the Corporation's proxy statement.
  14. Recommend to the Board the frequency of holding a vote on the compensation of the Corporation's named executive officers, if such proposal will be contained in the Corporation's proxy statement.

15. Periodically review executive supplementary benefits and, as appropriate, the organization's retirement, benefit, and special compensation programs involving significant cost.
16. Make regular reports to the Board.
17. Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval.
18. Annually evaluate its own performance.
19. Oversee the annual process of performance evaluations of the Corporation's management.
20. Fulfill such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board and/or the Chairman of the Board.
21. Ensure that provisions regarding disclosure of information, including pensions, as required by the Act, are fulfilled and produce a report of the Corporation's remuneration policy and practices to be included in the Corporation's annual report and ensure that:
  - each year that the remuneration report is put to shareholders for approval at the annual general meeting; and
  - the Company's remuneration policy is put to shareholders for approval at least once every three years (or earlier in the circumstances required by the Act); and
  - if the Committee has appointed remuneration consultants, the annual report of the Corporation's remuneration policy should identify such consultants and state whether they have any other connection with the Corporation.