

MEREO BIOPHARMA

WHISTLEBLOWING POLICY

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1. INTRODUCTION

- 1.1 Mereo BioPharma Group Plc (the “Company”) and its subsidiaries (together, the “Group”) is committed to the highest standards of transparency and accountability. In order to support this, the Group expects and encourages any of its stakeholders, whether employees, suppliers, Group companies, business partners or members of the local communities in which it operates, who have serious concerns about the Group’s business practices, to come forward and voice those concerns.
- 1.2 As a means of reinforcing the Group’s values, this Whistleblowing Policy (the “Policy”) serves to help build employee integrity by providing a means for identifying and eliminating unethical practices with the workplace.
- 1.3 This Policy applies to all individuals working for the Group at all levels of the business - directors, senior managers, employees and staff (collectively referred to as “colleagues” in this Policy).
- 1.4 Colleagues are often the first to realise that there may be something seriously wrong in the company for which they work. They might not express their concerns, however, because they might feel that doing so would be disloyal to their colleagues or because it is easier to ignore the concern rather than report unsubstantiated misconduct. Anyone making a disclosure under this Policy can be assured that the Company will maintain his or her anonymity and need not fear victimisation and / or subsequent discrimination.
- 1.5 The aim of this Policy is to ensure that all colleagues are confident that they can raise any matters of genuine concern without fear of reprisal, in the knowledge that they will be taken seriously and that the matter will be investigated appropriately and confidentially.
- 1.6 This Policy does not form part of any colleague’s contract of employment or service and it may be amended at any time.

2. SCOPE OF THE POLICY

- 2.1 This Policy is designed to deal with concerns raised in relation to specific issues as set out below and does not apply to personal grievances concerning an individual’s terms of employment, other aspects of the working relationship, or disciplinary matters.
- 2.2 This Policy deals with the specific concerns, which are in the public interest and may include:
 - 2.2.1 an unlawful civil or criminal offence;
 - 2.2.2 failure to comply with statutory obligations / requirements;
 - 2.2.3 financial or non-financial mismanagement (including inappropriate or fraudulent accounting procedures or a breach of the Group’s accounting policies), fraud and corruption;
 - 2.2.4 offences under the UK Bribery Act 2010 (bribery of foreign public officials, bribery of other persons, failure to prevent bribery) or the US Foreign Corrupt Practices Act of 1977, breaches of other applicable anti-bribery and anti-corruption policy law and regulation and breaches of the Group’s Anti-Bribery and Anti-Corruption Policy;
 - 2.2.5 a risk (including a potential risk) to health and safety of any individual;
 - 2.2.6 environmental damage;

2.2.7 improper conduct or unethical behaviour; or

2.2.8 attempts to conceal or suppress information relating to the above.

2.3 If it is determined during an investigation that the concerns raised under terms of this Policy constitute gross misconduct on the part of the colleagues, appropriate disciplinary procedures will be undertaken.

3. WHO CAN RAISE A CONCERN?

3.1 A colleague who has a reasonable belief that an act of serious misconduct is being undertaken about the matters listed in 2.2 above may raise a concern via the procedure set out below. Concerns must be raised without malice and must not be based on office gossip. The individual making the disclosure must reasonably believe that the information and the allegations contained therein are substantially true.

3.2 The Group will not allow concerns to be raised for the purposes of personal gain and will not provide a reward for information received.

4. PROCEDURE

4.1 In the first instance, colleagues should discuss any concerns they have with their immediate supervisor. Where this is not possible, or, where such contact would not be appropriate, colleagues should contact the General Counsel by email (cs@mereobiopharma.com) directly to set out their concerns.

4.2 Colleagues who prefer anonymous disclosure may report concerns via the [Whistleblowing Hotline](#).

4.3 If you do choose to reveal your identity, we will make every effort to maintain your confidentiality.

4.4 Colleagues should be aware that when they raise a concern, their identity (if disclosed) and the information provided may be shared on a 'need-to-know' basis in order to address the concern, as required by law or regulation or otherwise with their consent.

5. THE REPORTING PROCESS

5.1 All concerns raised under this Policy must be reported to the General Counsel. Upon receipt of the raised concern (assuming that the concern has not been reported anonymously), the General Counsel will arrange a meeting with the reporting colleague as soon as possible to discuss their concern. The colleague may bring another colleague or union representative to any meetings under this Policy. Such companion must respect the confidentiality of the reporting colleague's disclosure and any subsequent investigation. We will take down a written summary of the concern and provide the reporting colleague with a copy after the meeting. We will also aim to give the reporting colleague an indication of how we propose to deal with the matter. The General Counsel will then initiate a preliminary investigation and define the composition of the investigation team. A summary report of investigations will be provided to the Audit and Risk Committee Chairman on a quarterly or semi-annual basis. If the concern raised is serious, a report will be provided to the Audit and Risk Committee Chairman immediately. Results of any investigation and findings will also be provided to the reporting colleague if appropriate. Any information about the investigation must be treated as confidential.

5.2 Any colleague who is dissatisfied with the outcome of the Group's response to their disclosure, and who reasonably believes that the information disclosed and the allegations contained therein are

substantially true, has the right to take the matter directly to the Chairman of the Audit and Risk Committee.

- 5.3 On a six-monthly basis, a summary report on all disclosures made in good faith, and any subsequent action taken by management, will be made available to the Audit and Risk Committee.

6. EMPLOYEE PROTECTION

- 6.1 Colleagues who make a disclosure under the terms of this Policy will not be penalised or suffer any adverse treatment for doing so (whether or not the disclosure ultimately proves to be correct). However, colleagues who make allegations for the purposes of personal gain and /or act with malice, should be aware that they themselves might then be subject to disciplinary or other appropriate action and will not be awarded protection under this Policy.
- 6.2 Staff must not threaten or retaliate against reporting colleagues in any way. Victimising, or deterring a colleague from raising a concern will be regarded as misconduct and may lead to disciplinary action. Colleagues may be further protected against any victimisation or other adverse treatment by legislation in their country of residence or work.

7. RESPONSIBILITY FOR IMPLEMENTATION OF THE POLICY

- 7.1 The Board of the Company, via the Audit and Risk Committee, retains overall responsibility for this Policy. Day-to-day responsibility for its implementation and oversight has been delegated to the General Counsel of the Company. Responsibility for monitoring and reviewing the operation of the Policy, and any recommendations for change within the organisation resulting from investigations into complaints under the Policy lies with the Audit and Risk Committee.
- 7.2 Managers have a specific responsibility to facilitate the operation of this Policy and to ensure that colleagues feel able to raise concerns without fear of reprisals in accordance with the procedure set out above.
- 7.3 It is each colleague's responsibility to understand and follow this Policy and the laws and regulations that apply to the Group's business. Colleagues should consult with the General Counsel if any uncertainty arises as to how these apply. Failure to follow this Policy may result in disciplinary action. This Policy should be read in conjunction with the Group's Anti-Bribery and Anti-Corruption Policy.

8. MONITORING AND TESTING

- 8.1 Training on this Policy may be provided, as appropriate, at each new colleague's induction training and through periodic training for all colleagues (in each case to the extent that they are subject to a training programme within the Group).
- 8.2 This Policy will be made available on the Group's website. Colleagues are encouraged to refer to this Policy or ask questions of the General Counsel if any compliance-related issues or uncertainties arise in the course of the colleague's work.

Effective Version	Description of changes	Effective date
1.0	New Policy	04APR19