

AIM Rule 26

Abcam's Compliance with UK Corporate Governance Code 2018

The Board of Abcam has adopted the UK Corporate Governance Code 2018 (**Code**) as its chosen framework for corporate governance. For the year ended 30 June 2020, Abcam complied with all of the principles and provisions of the Code, other than Code Provisions 24 and 36. Further details of how Abcam complied with the Principles set out in the Code and explanations for any non-compliance are set out below.

PART 1 – BOARD LEADERSHIP AND COMPANY PURPOSE	
<p>Principle A</p> <p><i>“A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.”</i></p>	<p>Abcam has a high-quality Board with diverse yet complementary backgrounds. The composition of the Board is regularly reviewed by the Nomination Committee to ensure there is a balance of appropriate skills, experience, independence and knowledge of Abcam.</p> <p>Abcam's purpose is to serve life scientists to help them achieve their mission, faster. The Board is committed to furthering that purpose in a way that generates value for shareholders and contributes to wider society.</p>
<p>Principle B</p> <p><i>“The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.”</i></p>	<p>The Board has responsibility for Abcam's culture and ethics and sets the right “tone from the top”. The role and activities of the Board are discussed in more detail in our Annual Report which is available on our website: https://www.abcamplc.com/investors/reports-presentations.</p>
<p>Principle C</p> <p><i>“The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.”</i></p>	<p>Each year, the Board meets in person 6 times and by telephone conference 2 times, to formulate Abcam's strategy and commercial objectives, review performance against the strategic goals and agreed KPIs, and ensure that Abcam's principal risks are assessed and managed.</p> <p>The Board also holds ad hoc meetings to discuss urgent issues, such as the impact of and the Company's response to the COVID-19 pandemic, as they arise, as set out in more detail in our Annual Report which is available on our website: https://www.abcamplc.com/investors/reports-presentations.</p> <p>Abcam's risk register and risk appetite were comprehensively reviewed by the Board during 2020. In accordance with the Board's procedures, all Directors are required to notify the Board of any conflicts of interest and a register of such interests is maintained by the Company Secretary and formally reviewed at Board meetings. Transactions which engage an interest held by a Director are identified and the risks associated with any potential conflict are managed accordingly. Any planned changes to their interests, including directorships outside the Group, are notified to the Board.</p>
<p>Principle D</p> <p><i>“In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.”</i></p>	<p>The Board is committed to maintaining an open and constructive dialogue with shareholders to ensure there is a common understanding of the strategic objectives, governance and performance of the Company. Further detail regarding the Board's and the Company's engagement with shareholders is set out in our Annual Report which is available on our website: https://www.abcamplc.com/investors/reports-presentations.</p> <p>It is a requirement of the Code that the Board have in place mechanisms to ensure that it understands the views of the workforce. Whilst the Board has not implemented one of the three potential methods for workforce engagement identified by the Code, the Company has in place a number of mechanisms through which workforce engagement is encouraged and monitored, such as our “AbShare” share plan and our annual town hall “Meet the Board” sessions. These mechanisms are described in more detail in our Annual Report</p>

	<p>which is available on our website: https://www.abcamplc.com/investors/reports-presentations.</p> <p>Further detail regarding how Abcam engages with other key stakeholders, including our customers and partners and the communities in which we operate, is set out in our Annual Report which is available on our website: https://www.abcamplc.com/investors/reports-presentations.</p>
<p>Principle E</p> <p><i>“The board should ensure that workforce policies and practices are consistent with the company’s values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.”</i></p>	<p>The Board conducts an annual review of Abcam’s policies and codes of conduct to ensure that they remain consistent with Abcam’s values and continue to support Abcam’s long-term sustainable success. Abcam’s employees are actively encouraged to report any concerns through the appropriate internal channels. In addition, Abcam offers employees an independent, external and anonymous resource to which they can report concerns.</p>
PART 2 – DIVISION OF RESPONSIBILITIES	
<p>Principle F</p> <p><i>“The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.”</i></p>	<p>The Chairman sets the agenda for Board meetings with the Company Secretary, focusing on Abcam’s strategic issues. The Chairman ensures there is a culture of openness and constructive debate, encouraging contributions from Non-Executive Directors (NEDs), as well as maintaining good working relations between all Directors.</p>
<p>Principle G</p> <p><i>“The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board’s decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company’s business.”</i></p>	<p>Our Chairman, Peter Allen, was independent on his appointment on 18 June 2018 and is responsible for the leadership and effectiveness of the Board. There is a separate Chief Executive Officer who leads the executive management of Abcam’s operations based on the strategy set by the Board.</p> <p>The three NEDs considered by the Board to be independent are Louise Patten, Mara Aspinall, and Giles Kerr. Jonathan Milner, Abcam’s Deputy Chairman, Co-Founder and a Non-Executive Director, is not considered to be independent by the Board.</p>
<p>Principle H</p> <p><i>“Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.”</i></p>	<p>The demands on a potential NED’s time are fully considered during the recruitment process and are monitored after appointment to ensure they are able to meet their responsibilities.</p> <p>All Directors allocate sufficient time to ensure they discharge their responsibilities to Abcam effectively. The NEDs undertake in their contracts that they will have sufficient time to meet what is expected of them. The Board reviews any new external appointments of all Directors to ensure that they do not impact with their responsibilities to Abcam.</p> <p>The NEDs constructively challenge the Executive Directors on the performance of management in achieving Abcam’s agreed goals and objectives, as well as monitoring the reporting of performance. They help develop the proposals on strategy, assuring themselves on the integrity of financial information and systems of risk management and internal controls. Louise Patten is the Senior Independent Director. The NEDs have a key role on the appointment,</p>

	remuneration and succession planning of Executive Directors, review succession planning for the Executive Leadership Team (ELT) and meet regularly without the Executive Directors being present, and at least once a year without the Chairman being present.
<p>Principle I</p> <p><i>“The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.”</i></p>	<p>The Chairman and Company Secretary ensure that Directors are provided with accurate, timely and clear information for Board meetings. Board meetings are planned in advance on a two-year rolling cycle. Video conferencing facilities have been used throughout the COVID-19 pandemic, as set out in more detail in our Annual Report which is available on our website: https://www.abcamplc.com/investors/reports-presentations.</p> <p>The Company Secretary is available to all Directors as a source of advice on governance matters.</p>
PART 3 – COMPOSITION, SUCCESSION AND EVALUATION	
<p>Principle J</p> <p><i>“Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.”</i></p>	<p>The Nomination Committee leads the process for the appointment of Board members and makes recommendations to the Board. The Nomination Committee oversaw a rigorous recruitment process for a new CFO to replace Gavin Wood. Michael Baldock was appointed to the Board in February 2020 following an extensive search led by Peter Allen with the leading executive search consultancy, Sam Allen Associates. A shortlist of candidates was developed before interviews were conducted with all members of the Board, together with meetings with some members of the ELT.</p> <p>The Nomination Committee's terms of reference were updated in 2019 and are available on our website. Further details of the work of this Committee are set out in our Annual Report which is available on our website: https://www.abcamplc.com/investors/reports-presentations.</p>
<p>Principle K</p> <p><i>“The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.”</i></p>	<p>The Directors are satisfied that the current composition of the Board reflects an appropriate balance of skills, knowledge, experience and diversity. Details of each Board member's role, and biographies describing their experience, are set out in our Annual Report which is available on our website: https://www.abcamplc.com/investors/reports-presentations.</p> <p>Membership of the Board is regularly refreshed. Two NEDs have been appointed since June 2018 and, with the exception of our founder Jonathan Milner (who is not seeking re-election at this year's AGM), the longest serving Board member (our CEO, Alan Hirzel) was appointed in January 2014. It is recognised however that as a result of Jonathan Milner not seeking re-election at this year's AGM it would be beneficial for the Board to have an additional NED, in particular with experience in respect of life-sciences.</p>
<p>Principle L</p> <p><i>“Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.”</i></p>	<p>This year, in accordance with the requirements of the Code, an externally facilitated review of the Board's effectiveness was carried out. The overall findings from the review concluded that Abcam's Board, Committees and individual Directors continue to operate effectively. The Board has actively discussed the recommendations arising out of the review and a number of actions have been taken by the Board to build on the findings. Further details on the Board effectiveness review and its findings are set out in our Annual Report which is available on our website: https://www.abcamplc.com/investors/reports-presentations.</p>
PART 4 - AUDIT, RISK AND INTERNAL CONTROL	
<p>Principle M</p> <p><i>“The board should establish formal and transparent policies and procedures to ensure the independence and</i></p>	<p>Louise Patten, Sue Harris, Mara Aspinall, Giles Kerr and Peter Allen were members of the Audit and Risk Committee during the year ended 30 June 2020. Sue Harris stood down from the Committee and the Board on 13 November 2019 and Giles Kerr assumed the role of Chairman of the Committee in her place. In addition, Peter Allen stood down from the</p>

<p><i>effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements."</i></p>	<p>Committee on 2 June 2020 and in his place, Mara Aspinall joined the Committee on 2 June 2020. Giles Kerr has recent and relevant finance experience.</p> <p>Code 2018 Provision 24 states that the chair should not be a member of the Audit and Risk Committee. This Provision was not implemented in full as Peter Allen was a member of the Audit and Risk Committee until he stood down from the committee on 2 June 2020.</p> <p>The composition and terms of reference of the Audit and Risk Committee were reviewed in 2020. The terms of reference for this Committee are on Abcam's website. The Chairman of the committee reports to the Board on the discussions and findings of the committee at the following Board meeting. The external auditors, PwC, were appointed in 2014 after a competitive tender.</p>
<p>Principle N</p> <p><i>"The board should present a fair, balanced and understandable assessment of the company's position and prospects."</i></p>	<p>Abcam's Board has systems in place to ensure that its Annual Report and Accounts are a fair, balanced and understandable assessment of the company's position and prospects. The Annual Report and Accounts include a business model, the strategy to deliver it and a statement that it is appropriate to adopt the going concern basis of accounting in preparing them.</p>
<p>Principle O</p> <p><i>"The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives."</i></p>	<p>Each year, the Board carries out a robust assessment of the principal risks and how they would be mitigated, details of which are set forth in our Annual Report and Accounts. The Board also reviews the long-term viability of the Company on an annual basis against various scenarios over a five-year period. Risk management and internal control is monitored by the Board annually, and at each meeting of the Audit and Risk Committee.</p> <p>Historically, the internal audit function has been fully outsourced to a professional services firm (KPMG). In the second half of the year ended 30 June 2020, the Group appointed its own head of internal audit and the transition of this function from a previously fully outsourced function to a primarily internal function is ongoing.</p>
<p>PART 5 - REMUNERATION</p>	
<p>Principle P</p> <p><i>"Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy."</i></p>	<p>The level and components of remuneration, and how it promotes the long-term sustainable success of Abcam, are explained in the Directors' Remuneration Report.</p> <p>Provision 36 of the Code has not been implemented in full in that the Remuneration Committee does not have a formal policy for post-employment shareholding requirements.</p>
<p>Principle Q</p> <p><i>"A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome."</i></p>	<p>Abcam's Remuneration Committee comprises four NEDS and has delegated responsibility for setting the remuneration for all Executive Directors and the Chairman and overseeing remuneration for the ELT. The terms of reference for the Remuneration Committee were updated in 2019 and are available on Abcam's website. No Directors or ELT members are involved in setting their own remuneration.</p> <p>The Remuneration Policy was revised in 2018 and approved at the 2018 AGM. It was put to an advisory vote at the 2019 AGM.</p>
<p>Principle R</p> <p><i>"Directors should exercise independent judgement and discretion when</i></p>	<p>The Remuneration Committee exercise independent discretion and judgement. Further detail regarding the work of the Remuneration Committee</p>

<i>authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances."</i>	is set out in our Annual Report which is available on our website: https://www.abcamplc.com/investors/reports-presentations .
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Approved by the Board of Abcam plc
12 September 2020