

Adaptimmune Therapeutics PLC  
Form DEF 14A  
March 15, 2019

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**ADAPT IMMUNE THERAPEUTICS PLC**

---

(Name of Registrant as Specified In Its Charter)

N/A

---

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

---

Table of Contents

## **Adaptimmune Therapeutics PLC**

**60 Jubilee Avenue, Milton Park  
Abingdon, Oxfordshire OX14 4RX, U.K.  
Registered Company No. 09338148**

March 15, 2019

Dear Shareholder:

### **2019 Annual General Meeting of Adaptimmune Therapeutics plc (the "AGM")**

This letter, the notice of the AGM set out in this document ("**the Notice**") and associated materials for the AGM are being sent to you because, as of March 13, 2019 (being the latest practicable date before the circulation of this document), you are registered as a holder of ordinary shares in the register of members of the Company. However, this letter, the Notice and associated materials will also be available to holders of American Depositary Shares ("**ADS**") and contain information relevant to holders of ADSs.

I am pleased to confirm that our AGM will take place at **11:00 a.m. London time (6:00 a.m. Eastern Standard Time) on Thursday, May 2, 2019 at 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire OX14 4RX**. The Notice is set out in this document and it contains the resolutions to be proposed at the AGM (the "**Resolutions**").

### **Action to be taken by holders of ordinary shares in the Company**

If you are a holder of American Depositary Shares ("**ADSs**"), please ignore this section and refer instead to the section below " *Holders of American Depositary Shares* ".

If you are a holder of ordinary shares in the Company and are planning to attend the AGM in person (or by way of corporate representative) it would be helpful if you could inform Margaret Henry, Company Secretary, by email: [margaret.henry@adaptimmune.com](mailto:margaret.henry@adaptimmune.com), tel: +44 (0)1235 430036 or mobile: +44 (0)7710 304249.

If you are unable to attend the AGM, you can still vote on the Resolutions by appointing a proxy. A form of proxy for use at the AGM is enclosed. You are advised to complete and return the form of proxy in accordance with the instructions printed on it and so as to arrive at the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, England as soon as possible but in any event by no later than **11:00 a.m. London time (6:00 a.m. Eastern Standard Time) on Tuesday, April 30, 2019**.

You may also submit your proxy vote online at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) (see instructions on form of proxy) to arrive by no later than **11:00 a.m. London time (6:00 a.m. Eastern Standard Time) on Tuesday, April 30, 2019**. The return of a form of proxy or the electronic appointment of a proxy does not preclude you from attending and voting at the AGM if you so wish.

In order to attend and vote at the AGM as an ordinary shareholder, you must continue to be registered as a holder of ordinary shares in the Company's register of members as of 6:30 p.m. London time (1:30 p.m. Eastern Standard Time) on Tuesday, April 30, 2019.

Therefore, if you sell or transfer your ordinary shares in the Company on or prior to April 30, 2019, your form of proxy can no longer be used and if submitted (whether before or after you sell or transfer your ordinary shares) will be treated as invalid. Please pass this document to the person who arranged the sale or transfer for delivery to the purchaser or transferee. The purchaser or transferee should contact Margaret Henry, Company Secretary, to request a new form of proxy for its use.

---

# Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

## Table of Contents

Should you elect to convert your holding of ordinary shares in the capital of the Company into an interest in the capital of the Company represented by ADSs before the AGM, you will cease to be a holder of ordinary shares in your own name and will not be entitled to attend and vote at the AGM as an ordinary shareholder. You will also not be able to use the enclosed form of proxy. However, you may be able to exercise your vote as a holder of an interest in the capital of the Company represented by American Depositary Shares please refer to the next section "*Holder of American Depositary Shares*".

### **Holder of American Depositary Shares**

In order to exercise your vote as a holder of an interest in the capital of the Company represented by ADSs, you or your bank, broker or nominee must be registered as a holder of ADSs in the ADS register **by 5:00 p.m. Eastern Standard Time on Friday, March 15, 2019 (the record date for ADS holders)**.

If you hold ADSs through a bank, broker or nominee on March 15, 2019, the AGM documentation, including the ADS proxy card, will be sent to your broker who should forward the materials to you. Please reach out to your broker to provide your voting instructions.

Please note that ADS proxy cards submitted by ADS holders must be received by Citibank, N.A. **no later than 10:00 a.m. Eastern Standard Time on Thursday, April 25, 2019**.

### **Contacts for ADS holders**

If you have queries about how you can deliver voting instructions, please contact Citibank, N.A. ADR Shareholder Services at tel: +1-877-248-4237 (toll free within the United States) or +1-781-575-4555 (for international callers) or by email: citibank@shareholders-online.com or at Citibank Shareholder Services, P.O. Box 43077, Providence, RI 02940-3077.

If at any point you require guidance, please contact Margaret Henry, Company Secretary, on email: margaret.henry@adaptimmune.com, tel: +44(0)1235 430036 or cell: +44 (0)7710 304249.

### **Recommendation**

You will find an explanatory note in relation to each of the Resolutions in the attached proxy statement. Your Directors consider that each Resolution is in the best interests of the Company and its shareholders as a whole and is likely to promote the success of the Company. Accordingly, your Directors unanimously recommend that you vote in favour of the Resolutions as each of the Directors with personal holdings of shares in the Company intends to do in respect of their own beneficial holdings of shares.

Thank you for your ongoing support of Adaptimmune.

Yours sincerely,

/s/ DAVID M. MOTT

---

**David M. Mott**

**Chairman, Adaptimmune Therapeutics plc**

---

Table of Contents

## Adaptimmune Therapeutics PLC

60 Jubilee Avenue, Milton Park  
Abingdon, Oxfordshire OX14 4RX, U.K.  
Registered Company No. 09338148

### NOTICE OF 2019 ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON THURSDAY, MAY 2, 2019

**NOTICE** is hereby given that the Annual General Meeting of Adaptimmune Therapeutics plc, a public limited company incorporated under the laws of England and Wales (referred to herein as the "Company," "we," "us" and "our"), will be held on Thursday, May 2, 2019, at 11:00 a.m. London time (6:00 a.m. Eastern Standard time), at 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire OX14 4RX, for transaction of the following business:

#### Ordinary resolutions

1. To re-elect as a director, John Furey, who retires in accordance with the Articles of Association.
2. To re-elect as a director, Ali Behbahani, who retires by rotation in accordance with the Articles of Association.
3. To re-elect as a director, James Noble, who retires by rotation in accordance with the Articles of Association.
4. To re-appoint KPMG LLP as auditors of the Company, to hold office until the conclusion of the next annual general meeting of shareholders.
5. To authorize the Audit Committee to determine our auditors' remuneration for the fiscal year ending December 31, 2019.
6. To receive the U.K. statutory annual accounts and reports for the fiscal year ended December 31, 2018 and to note that the Directors do not recommend the payment of any dividend for the year ended December 31, 2018.
7. To approve, on a non-binding, advisory basis, the compensation of the Company's named executive officers for the year ended December 31, 2018.
8. To indicate, on a non-binding, advisory basis, the preferred frequency of future shareholder advisory votes on the compensation of the Company's named executive officers.
9. To receive and approve our U.K. statutory directors' remuneration report for the year ended December 31, 2018, which is set forth as *Annex A* to the attached proxy statement.
10. To authorize the directors, generally and unconditionally for the purpose of s551 of the U.K. Companies Act 2006 to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to a maximum aggregate nominal amount of £207,288.00. This authority shall expire (unless previously renewed, varied or revoked) on May 1, 2024 but so that the Company may make offers and enter into agreements before that expiry which would, or might, require shares to be allotted or Rights to be granted after that expiry and the directors may allot shares or grant Rights pursuant to any of those offers or agreements as if the authority had not expired.

The authority referred to in this resolution is in substitution for the authority conferred on the directors under s551 of the U.K. Companies Act 2006 at the annual general meeting held on June 21, 2017 but the directors may allot shares or grant Rights pursuant to an offer made or agreement entered into by the Company before the expiry of the authority pursuant to which that offer was made or agreement entered into.

# Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

## Table of Contents

### **Special resolution**

11. Subject to the passing of Resolution 10, to empower the directors generally pursuant to s570(1) of the U.K. Companies Act 2006 to allot equity securities (as defined in s560 of the U.K. Companies Act 2006) for cash pursuant to the general authority conferred on them by Resolution 10 as if s561(1) of the U.K. Companies Act 2006 did not apply to that allotment. This power:

(a) shall be limited to the allotment of equity securities up to an aggregate nominal amount of £157,500.00;

(b) expires (unless previously renewed, varied or revoked) at the end of the annual general meeting of the Company to be held in 2021 but so that the Company may make offers and enter into agreements before that expiry which would, or might, require equity securities to be allotted after that expiry and the directors may allot equity securities pursuant to any of those offers or agreements as if this power had not expired; and

(c) applies in relation to a sale of shares which is an allotment of equity securities by virtue of s560(3) of the U.K. Companies Act 2006 as if in the first paragraph of this resolution the words "pursuant to the general authority conferred on them by Resolution 10" were omitted.

For the purposes of this resolution, references to the allotment of equity securities shall be interpreted in accordance with s560 of the U.K. Companies Act 2006.

Proposals 1 through 10 will be proposed as ordinary resolutions and under English law, assuming that a quorum is present, an ordinary resolution is passed on a show of hands if it is approved by a simple majority (more than 50%) of the votes cast by shareholders present (in person or by proxy) at the meeting and entitled to vote. If a poll is demanded, an ordinary resolution is passed if it is approved by holders representing a simple majority of the total voting rights of shareholders present (in person or by proxy) who (being entitled to vote) vote on the resolution. Proposal 11 will be proposed as a special resolution. Special resolutions require the affirmative vote of not less than 75% of the votes cast by shareholders present (in person or by proxy) at the meeting and entitled to vote. On a poll, a special resolution is passed if it is approved by holders representing not less than 75% of the total voting rights of shareholders present (in person or by proxy) who (being entitled to vote) vote on the resolution.

The result of the shareholder votes on the ordinary resolutions in proposals 6, 7, 8 and 9 regarding receipt of our U.K. statutory annual accounts and reports for the year ended December 31, 2018, approval of the compensation of our named executive officers for the year ended December 31, 2018, advisory votes on the preferred frequency of future votes on executive compensation and approval of our U.K. statutory directors' annual report on remuneration for the year ended December 31, 2018 will not require our Board of Directors or any committee thereof to take any action. Our Board of Directors values the opinions of our shareholders as expressed through such votes and will carefully consider the outcome of the votes on proposals 6, 7, 8 and 9.

The results of any polls taken on the resolutions at the Annual General Meeting and any other information required by the U.K. Companies Act 2006 will be made available on our website (<https://www.adaptimmune.com>) as soon as reasonably practicable following the Annual General Meeting and for the required period thereafter.

### **BY ORDER OF THE BOARD**

/s/ MARGARET HENRY

Margaret Henry  
*Company Secretary*  
March 15, 2019

### **Registered Office**

60 Jubilee Avenue, Milton Park,  
Abingdon,  
Oxfordshire OX14 4RX, United Kingdom  
Registered in England and Wales  
No 09338148

Table of Contents

**Notes**

- (a) Only those members registered in the register of members of the Company at 6:30 p.m. London time (1:30 p.m. Eastern Standard Time) on April 30, 2019 will be entitled to attend and vote at the Annual General Meeting ("AGM") in respect of the number of ordinary shares registered in their name at the time. Changes to entries on the relevant register after that deadline will be disregarded in determining the rights of any person to attend and vote at the AGM. Should the AGM be adjourned to a time not more than 48 hours after the deadline, the same deadline will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned AGM. Should the AGM be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned AGM or, if the Company gives notice of the adjourned AGM, at the time specified in the notice.
- (b) Any member may appoint a proxy to attend, speak and vote on his/her behalf. A member may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares of the member. A proxy need not be a member, but must attend the meeting in person. Proxy forms should be lodged with the Company's Registrar (Computershare) not later than 11:00 a.m. London time (6:00 a.m. Eastern Standard Time) on April 30, 2019. Completion and return of the appropriate proxy form does not prevent a member from attending and voting in person if he/she is entitled to do so and so wishes. The attached proxy statement explains proxy voting and the matters to be voted on in more detail. Please read the proxy statement carefully. For specific information regarding the voting of your ordinary shares, please refer to the proxy statement under the section entitled "*Questions and Answers About Voting.*"
- (c) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- (d) In the case of joint holders, the vote of the senior who tenders the vote whether in person or by proxy will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the Company's relevant register or members for the certificated or uncertificated shares of the Company (as the case may be) in respect of the joint holding.
- (e) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournments of it by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service providers, should refer to their sponsors or voting service providers, who will be able to take the appropriate action on their behalf.

For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for those instructions as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to the previously appointed proxy, must, to be valid, be transmitted so as to be received by the Company's agent 3RA50 by 11:00 a.m. London time (6:00 a.m. Eastern Standard Time) on April 30, 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

---

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed voting service providers, to procure that its CREST sponsors or voting service providers take) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- (f) As of March 13, 2019 (being the last practicable date before circulation of this Notice), the Company's issued ordinary share capital consisted of 628,273,312 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as of that date are 628,273,312.
- (g) Under s527 Companies Act 2006, members meeting the threshold requirement set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with s437 Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with ss527 or 528 Companies Act 2006. Where the Company is required to place a statement on a website under s527 Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required, under s527 Companies Act 2006, to publish on a website.
- (h) Except as set out in the notes to this Notice, any communication with the Company in relation to the AGM, including in relation to proxies, should be sent to the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, England. No other means of communication will be accepted. In particular, you may not use any electronic address provided either in this notice or in any related documents to communicate with the Company for any purpose other than those expressly stated.
- (i) Copies of the service agreement for our executive director and of the letters of appointment for our non-executive directors will be available for inspection at the registered office of the Company during normal business hours on any week day (public holidays excepted) from the date of this Notice of AGM until the date of the AGM, and at the place of the AGM for one hour before the meeting and at the meeting itself.
-



Table of Contents

**TABLE OF CONTENTS**

	<b>Page</b>
<u>INFORMATION CONCERNING PROXY SOLICITATION AND VOTING</u>	1
<u>QUESTIONS AND ANSWERS ABOUT VOTING</u>	1
<u>ELECTION OF DIRECTORS</u>	8
<u>PROPOSAL 1 RE-ELECTION OF JOHN FUREY TO THE BOARD OF DIRECTORS</u>	9
<u>PROPOSAL 2 RE-ELECTION OF ALI BEHBAHANI TO THE BOARD OF DIRECTORS</u>	10
<u>PROPOSAL 3 RE-ELECTION OF JAMES NOBLE TO THE BOARD OF DIRECTORS</u>	11
<u>PROPOSAL 4 RE-APPOINTMENT OF KPMG AS OUR AUDITORS</u>	12
<u>PROPOSAL 5 AUTHORIZATION OF THE AUDIT COMMITTEE TO DETERMINE OUR AUDITOR'S REMUNERATION</u>	14
<u>PROPOSAL 6 RESOLUTION TO RECEIVE THE COMPANY'S U.K. STATUTORY ANNUAL ACCOUNTS AND REPORTS</u>	15
<u>PROPOSAL 7 APPROVAL OF EXECUTIVE COMPENSATION</u>	16
<u>PROPOSAL 8 APPROVAL OF FREQUENCY OF FUTURE VOTES ON EXECUTIVE COMPENSATION</u>	17
<u>PROPOSAL 9 APPROVAL OF OUR U.K. STATUTORY DIRECTORS' ANNUAL REPORT ON REMUNERATION</u>	18
<u>PROPOSAL 10 AUTHORIZATION OF ALLOTMENT OF SHARES</u>	20
<u>PROPOSAL 11 AUTHORIZATION OF DISAPPLICATION OF PRE-EMPTION RIGHTS</u>	21
<u>BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	22
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	30
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	33
<u>TRANSACTIONS WITH RELATED PERSONS</u>	34
<u>DIRECTOR REMUNERATION</u>	35
<u>EXECUTIVE OFFICERS OF THE COMPANY</u>	38
<u>EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS</u>	40
<u>REMUNERATION COMMITTEE REPORT</u>	59
<u>AUDIT COMMITTEE REPORT</u>	75
<u>DELIVERY OF PROXY MATERIALS</u>	77
<u>ADDITIONAL INFORMATION</u>	78
<u>ANNEX A</u>	A-1
<u>FORM OF PROXY FOR ORDINARY SHAREHOLDERS</u>	A-25

---

Table of Contents

## **Adaptimmune Therapeutics PLC**

60 Jubilee Avenue, Milton Park  
Abingdon, Oxfordshire OX14 4RX, U.K.  
Registered Company No. 09338148

### **PROXY STATEMENT FOR THE 2019 ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 2, 2019**

#### **INFORMATION CONCERNING PROXY SOLICITATION AND VOTING**

We have sent you this proxy statement and the enclosed form of proxy because the Board of Directors of Adaptimmune Therapeutics plc (referred to herein as the "Company", "we", "us" or "our") is soliciting your proxy to vote at our annual general meeting of shareholders (referred to herein as the "Meeting" or the "AGM") to be held on Thursday, May 2, 2019, at 11:00 a.m. London time (6:00 a.m. Eastern Standard time), at 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire OX14 4RX.

This proxy statement summarizes information about the proposals to be considered at the Meeting and other information you may find useful in determining how to vote.

The form of proxy is the means by which you actually authorize another person to vote your shares in accordance with your instructions.

In addition to solicitations by mail, our directors, officers and regular employees, without additional remuneration, may solicit proxies by telephone, e-mail and personal interviews. All costs of solicitation of proxies will be covered by us.

We are mailing the Notice of 2019 AGM, this proxy statement and the form of proxy to our ordinary shareholders of record as of March 13, 2019 (being the latest practicable date before the circulation of this document) for the first time on or about March 15, 2019. In this mailing, we are also including our U.K. statutory annual accounts and reports for the year ended December 31, 2018 ("2018 U.K. Annual Report") and our annual report on Form 10-K for the year ended December 31, 2018 (the "Annual Report on Form 10-K"). In addition, we have provided brokers, dealers, bankers, and their nominees, at our expense, with additional copies of our proxy materials, the 2018 U.K. Annual Report and the Annual Report on Form 10-K so that our record holders can supply these materials to the beneficial owners of our ordinary shares.

Whilst this document is being sent to our ordinary shareholders of record, this document will also be sent to holders of American Depositary Shares ("ADSs") and contains information relevant to holders of ADSs.

#### **Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on May 2, 2019**

Our Notice of 2019 AGM, this proxy statement, the Annual Report on Form 10-K, our 2018 U.K. Annual Report and our form of proxy are available in the Investors section of our website at <https://www.adaptimmune.com>.

#### **QUESTIONS AND ANSWERS ABOUT VOTING**

##### **Why am I receiving these materials?**

We have sent you this proxy statement and the enclosed form of proxy because you are an ordinary shareholder of record and our Board of Directors (the "Board") is soliciting your proxy to vote at the Meeting, including at any adjournments or postponements of the Meeting. You are invited to attend the Meeting to vote on the proposals described in this proxy statement. However, you do not

# Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

## Table of Contents

need to attend the Meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed form of proxy. Alternatively, please submit your proxy online at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) (see instructions on form of proxy). All proxies, however submitted, must be lodged with our registrar, Computershare, by no later than **11:00 a.m. London time (6:00 a.m. Eastern Standard Time) on Tuesday, April 30, 2019.**

We intend to mail this proxy statement and the accompanying form of proxy on or about March 15, 2019 to all ordinary shareholders of record entitled to vote at the Meeting.

Materials for ADS holders of record, including this proxy statement, the Annual Report on Form 10-K and an ADS proxy card, will be mailed on or about March 21, 2019 to all ADS holders, including banks, brokers and nominees, who are registered as holders of ADSs in the ADS register by 5:00 p.m. Eastern Standard Time on March 15, 2019 (the record date for ADS holders).

### **Who can vote at the Meeting?**

#### *Ordinary shareholders*

Only ordinary shareholders of record registered in the register of members at 6:30 p.m. London time (1:30 p.m. Eastern Standard Time) on Tuesday, April 30, 2019 will be entitled to vote at the Meeting.

As of March 13, 2019 (being the last practicable date before the circulation of this proxy statement) there were 628,273,312 ordinary shares issued and outstanding and entitled to vote.

Whether or not you plan to attend the Meeting, we urge you to fill out and return the enclosed form of proxy to ensure your vote is counted. Alternatively, please submit your proxy online at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) (see instructions on form of proxy). All proxies, however submitted, must be lodged with our registrar, Computershare, by no later than **11:00 a.m. London time (6:00 a.m. Eastern Standard Time) on Tuesday, April 30, 2019.**

If you sell or transfer your ordinary shares in the Company on or prior to April 30, 2019, your form of proxy can no longer be used and if submitted (whether before or after you sell or transfer your ordinary shares) will be treated as invalid. Please pass this document to the person who arranged the sale or transfer for delivery to the purchaser or transferee. The purchaser or transferee should contact Margaret Henry, Company Secretary, to request a new form of proxy for its use.

#### *Beneficial owners of ordinary shares which are registered in the name of a broker, bank or other agent*

If, on March 13, 2019, your ordinary shares were held in an account at a brokerage firm, bank or other similar organization and you are the beneficial owner of shares, these proxy materials should be forwarded to you by that organization. The organization holding your account is considered the shareholder of record for purposes of voting at the Meeting. You are encouraged to provide voting instructions to your broker or other agent so that they may submit a proxy.

#### *Holders of American Depositary Shares*

You are entitled to exercise your vote as a holder of an interest in the capital of the Company represented by ADSs if you or your brokerage firm, bank or nominee is registered as a holder of ADSs in the ADS register **by 5:00 p.m. Eastern Standard Time on Friday, March 15, 2019 (the record date for ADS holders).**

If you hold ADSs through a brokerage firm, bank or nominee on March 15, 2019, the materials for ADS holders, including the ADS proxy card, will be sent to that organization. The organization holding your account is considered the ADS holder of record. Please reach out to that organization to provide your voting instructions.

Table of Contents

Please note that ADS proxy cards submitted by ADS holders must be received by Citibank, N.A. **no later than 10:00 a.m. Eastern Standard Time on Thursday, April 25, 2019.**

Citibank, N.A. will collate all votes properly submitted by ADS holders and submit a vote on behalf of all ADS holders.

***Contacts for ADS holders***

If you have queries about how you can deliver voting instructions, please contact Citibank, N.A. ADR Shareholder Services at tel: +1-877-248-4237 (toll free within the United States) or +1-781-575-4555 (for international callers) or by email: citibank@shareholders-online.com or at Citibank Shareholder Services, P.O. Box 43077, Providence, RI 02940-3077.

If at any point you require guidance, please contact Margaret Henry, Company Secretary, on email: margaret.henry@adaptimmune.com, tel: +44(0)1235 430036 or cell: +44 (0)7710 304249.

**What are the requirements to elect the directors and approve each of the proposals?**

You may cast your vote for or against proposals 1 through 11 or abstain from voting your shares on one or more of these proposals.

Proposals 1 through 10 will be proposed as ordinary resolutions. Proposal 11 will be proposed as a special resolution. Under English law, assuming that a quorum is present, an ordinary resolution is passed on a show of hands if it is approved by a simple majority (more than 50%) of the votes cast by shareholders present (in person or by proxy) at the Meeting and entitled to vote. If a poll is demanded, an ordinary resolution is passed if it is approved by holders representing a simple majority of the total voting rights of shareholders present (in person or by proxy) who (being entitled to vote) vote on the resolution. Special resolutions require the affirmative vote of not less than 75% of the votes cast by shareholders present (in person or by proxy) at the Meeting and entitled to vote. On a poll, a special resolution is passed if it is approved by holders representing not less than 75% of the total voting rights of shareholders present (in person or by proxy) who (being entitled to vote) vote on the resolution.

The result of the shareholder votes on the ordinary resolutions in proposals 6, 7, 8 and 9 regarding receipt of our U.K. statutory annual accounts and reports for the year ended December 31, 2018, approval of the compensation of our named executive officers for the year ended December 31, 2018, advisory votes on the preferred frequency of future votes on executive compensation and approval of our U.K. statutory directors' annual report on remuneration for the year ended December 31, 2018 will not require our Board of Directors or any committee thereof to take any action. Nonetheless, our Board of Directors values the opinions of our shareholders as expressed through such votes and will carefully consider the outcome of the votes on proposals 6, 7, 8 and 9.

Table of Contents**What are the voting recommendations of our Board regarding the election of directors and other proposals?**

The following table summarizes the items that will be brought for a vote of our shareholders at the Meeting, along with the Board's voting recommendations.

<b>Proposal</b>	<b>Description of Proposal</b>	<b>Board's Recommendation</b>
1	Re-election of John Furey as a director	<b>FOR</b>
2	Re-election of Ali Behbahani as a director	<b>FOR</b>
3	Re-election of James Noble as a director	<b>FOR</b>
4	Re-appointment of KPMG LLP as the Company's auditors, to hold office until the conclusion of the next annual general meeting of shareholders	<b>FOR</b>
5	Authorization for the Audit Committee to determine our auditors' remuneration for the fiscal year ending December 31, 2019	<b>FOR</b>
6	To receive the U.K. statutory annual accounts and reports for the fiscal year ended December 31, 2018	<b>FOR</b>
7	Approval of the compensation of our named executive officers for the year ended December 31, 2018, which is set forth in this proxy statement	<b>FOR</b>
8	Advisory vote on the preferred frequency of future votes on executive compensation	<b>ANNUALLY</b>
9	Approval of our U.K. statutory directors' annual report on remuneration for the year ended December 31, 2018, which is set forth in Annex A	<b>FOR</b>
10	Authorization for the Board of Directors to allot shares or to grant rights to subscribe for or convert any security into shares up to a maximum aggregate nominal amount of £207,288.00.	<b>FOR</b>
11	Empowering the Board of Directors to allot equity securities for cash up to a maximum aggregate nominal amount of £157,500.00 pursuant to the authorization in Resolution 10 as if U.K. statutory pre-emption rights did not apply.	<b>FOR</b>

**What constitutes a quorum?**

For the purposes of the Meeting, a quorum will be present if members holding at least one-third in number of the issued ordinary shares of the Company and entitled to vote are present in person or represented by proxy at the Meeting.

If you are an ordinary shareholder of record, your shares will be counted towards the quorum only if you are present in person or represented by proxy at the Meeting. If you are a beneficial owner of ordinary shares held in an account at a brokerage firm, bank or other similar organization your shares will be counted towards the quorum if your broker or nominee submits a proxy for those shares and the proxy represents the holder at the Meeting. A member represented by a proxy at the Meeting will be counted towards the quorum requirement even where the proxy abstains from voting. If a form of proxy does not instruct the proxy how to vote, the proxy may vote as he or she sees fit or abstain in relation to any business of the Meeting, but the member represented by that proxy at the Meeting will be counted towards the quorum requirement. If there is no quorum, the Meeting will stand adjourned to such time, date and place as may be fixed by the chairperson of the Meeting (being not less than 10 days later), and, if a quorum is not present at the adjourned meeting, the Meeting will be dissolved.

Table of Contents

**How do I vote my shares?**

*If you are an ordinary "shareholder of record,"* you may attend the Meeting in person or you may appoint a proxy to vote on your behalf:

By completing and signing the form of proxy and returning it in the envelope provided; or

By submitting your proxy online at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) (see instructions on form of proxy). All proxies (however submitted) must be lodged with our registrar (Computershare) by no later than **11:00 a.m. London time (6:00 a.m. Eastern Standard Time) on Tuesday, April 30, 2019.**

If you properly give instructions as to your proxy appointment by executing and returning a form of proxy, or by submitting your proxy online, and your proxy appointment is not subsequently revoked, your shares will be voted in accordance with your instructions.

*If your ordinary shares are held in an account at a brokerage firm, bank or similar organization,* you should follow directions provided by your broker, bank or other nominee.

**How will my shares be voted if I do not specify how they should be voted?**

If you sign and send your form of proxy but do not indicate how you want your shares to be voted, your shares may be voted by the person that you appoint as your proxy as he or she sees fit or such person may abstain in relation to any business of the Meeting.

**Can I change my vote or revoke a proxy?**

A registered shareholder can revoke his or her proxy before the time of voting at the Meeting in several ways by:

- (1) mailing a revised form of proxy dated later than the prior form of proxy;
- (2) voting in person at the Meeting; or
- (3) notifying our Company Secretary in writing that you are revoking your proxy. Your revocation must be received at our registered office before the Meeting to be effective.

If your ordinary shares are held in an account at a brokerage firm, bank or similar organization, you may change or revoke your voting instructions by contacting the broker, bank or other nominee holding the shares or by your broker, bank or other nominee validly appointing you as proxy to attend at the Meeting. See also "What if I plan to attend the Meeting?"

**Who counts the votes?**

Computershare Investor Services PLC ("Computershare") has been engaged as our independent agent to tabulate shareholder votes. If you are an ordinary shareholder of record, you can return your executed form of proxy to Computershare for tabulation or directly submit your proxy online to Computershare at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) (see instructions on form of proxy).

If you hold your ordinary shares through a broker, your broker will return the form of proxy to Computershare or directly submit your proxy to Computershare online.

If you are a holder of record of ADSs, you can return your executed ADS proxy card to Citibank, N.A. for tabulation. If you hold your ADSs through a broker, bank or other organization, that organization can return the ADS proxy card to Citibank, N.A. following your instruction. Citibank, N.A. will submit your votes to Computershare for tabulation.

Table of Contents

**How are votes counted?**

Votes will be counted by Computershare, who will separately count "for" and "against" votes, and "votes withheld" or abstentions.

**How many votes do I have?**

On a show of hands, each ordinary shareholder of record present in person, and each duly authorised representative present in person of a shareholder that is a corporation, has one vote. On a show of hands, each proxy present in person who has been duly appointed by one or more shareholders has one vote, but a proxy has one vote for and one vote against a resolution if, in certain circumstances, the proxy is instructed by more than one shareholder to vote in different ways on a resolution. On a poll, each shareholder present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share held by the shareholder.

**What if I plan to attend the Meeting?**

Attendance at the Meeting will be limited to ordinary shareholders of record as of 6:30 p.m. London time (1:30 p.m. Eastern Standard Time) on Tuesday, April 30, 2019. In order to obtain admittance to the Meeting each shareholder may be asked to present valid picture identification, such as a driver's license or passport. If your ordinary shares are held through brokerage accounts or by a bank or other nominee you may be able to attend at the discretion of the Chairman.

**How do you solicit proxies?**

We will solicit proxies and will bear the entire cost of this solicitation. The initial solicitation of proxies may be supplemented by additional mail communications and by telephone, fax, e-mail, internet and personal solicitation by our directors, officers or other employees. No additional compensation for soliciting proxies will be paid to our directors, officers or other employees for their proxy solicitation efforts. We also reimburse Citibank, N.A. for their expenses in sending materials, including ADS proxy cards, to ADS holders of record.

**What do I do if I receive more than one notice or form of proxy?**

If you hold your ordinary shares in more than one account, you will receive a form of proxy for each account. To ensure that all of your shares are voted, please sign, date and return all forms of proxy. Please be sure to vote all of your shares.

**Will there be any other business conducted at the Meeting?**

No. In accordance with our Articles of Association, no matters other than proposals 1 through 11 may be presented at this Meeting. We have not been notified of, and our Board is not aware of, any other matters to be presented for action at the Meeting.

**What is Computershare's role?**

Computershare is our registrar. All communications concerning ordinary shareholder of record accounts, including address changes, name changes, ordinary share transfer requirements and similar issues can be handled by contacting Computershare at tel: +44 (0) 370 702 0000 or by writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, England.

Communications concerning ADS holder of record accounts can be handled by contacting Citibank, N.A. ADR Shareholder Services at tel: +1-877-248-4237 (toll free within the United States) or +1-781-575-4555 (for international callers) or by email: citibank@shareholders-online.com or at Citibank Shareholder Services, P.O. Box 43077, Providence, RI 02940-3077.

Table of Contents

**How can I find out the results of the voting at the Meeting?**

Voting results will be announced by the filing of a current report on Form 8-K within four business days after the Meeting. If final voting results are unavailable at that time, we will file an amended current report on Form 8-K within four business days of the day the final results are available.

**Directions to Meeting**

Directions to our Meeting, which is to be held at 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire OX14 4RX, are available at: <https://www.adaptimmune.com>



Table of Contents

**ELECTION OF DIRECTORS**

Our Board of Directors currently consists of nine directors.

Our Articles of Association require that those directors who were appointed since our 2018 Annual General Meeting must retire from office and offer themselves for re-election. Accordingly, Mr. John Furey will retire from office and offer himself for re-election by our shareholders at the 2019 AGM.

Additionally, our Articles of Association require one-third (or such number nearest to but not exceeding one-third) of our directors who are subject to retirement by rotation to retire from office at each annual general meeting effective from the 2016 Annual General Meeting, commencing with the longest-serving directors. In the case of equal tenure, retirement is by agreement. Of the eight directors subject to retirement by rotation, Dr. Ali Behbahani and Mr. James Noble will, on this occasion, retire from office and stand for re-election by our shareholders.

Having carried out an evaluation of the individual performance of each of Mr. Furey, Dr. Behbahani and Mr. Noble with the support of the Corporate Governance and Nominating Committee, the Board is satisfied that their performance continues to be effective and that they continue to demonstrate commitment to their roles. The Board considers that it is entirely appropriate for each of Mr. Furey, Dr. Behbahani and Mr. Noble to seek re-election at the AGM.

Each of the above directors has been nominated for re-election and no other nominees for directors have been presented. Therefore, it is anticipated that following the AGM, if all of the above directors are re-elected, the Board of Directors will be comprised of nine members.

In connection with proposals 1 through 3, we set forth the biographical information for the nominees to our Board of Directors. For biographical information for the other directors see *Board of Directors and Corporate Governance*.

Table of Contents

**PROPOSAL 1 RE-ELECTION OF JOHN FUREY TO THE BOARD OF DIRECTORS**

Mr. John Furey is currently a member of our Board of Directors and has been nominated for re-election as a director. If elected, he will hold office from the date of his election until the next annual general meeting of shareholders where he must retire by rotation and offer himself for re-election, or until his earlier death, resignation or removal. Mr. Furey has agreed to serve if elected, and we have no reason to believe that he will be unable to serve.

Mr. Furey, 54, has served as a Non-Executive Director since July 2018 and also serves as a member of our Remuneration Committee. He has 25 years of experience of developing and implementing operational strategies and leading commercial and technical teams. Mr. Furey served as Chief Operating Officer at Spark Therapeutics, Inc from December 1, 2016 through December 31, 2018, where he was responsible for global commercial operations, medical affairs, technology development and technical operations, and is continuing to provide consulting services to Spark Therapeutics through June 28, 2019 to assist with the transition of his responsibilities. Prior to joining Spark Therapeutics, Mr. Furey was senior vice president and head of global operations for Baxalta, where he directed manufacturing, quality, engineering, and process development. He actively managed a \$2.5 billion production budget across Baxalta's global network and led a first-in-class supply chain organization for rare diseases. Mr. Furey led the team that coordinated and delivered the successful establishment of Baxalta through a spin out from Baxter and led the Baxter Vaccine inline business to realize significant top line and bottom line growth. He also spent two years in China as general manager of Pfizer's vaccine business unit following a role with responsibility for global pricing and reimbursement at Pfizer Vaccines. In these roles, Mr. Furey gained extensive experience in pipeline development and global product launches. Earlier in his career, he held both commercial and operations positions of increasing scope and responsibility with Pfizer and Wyeth Pharmaceuticals. Mr. Furey has an executive M.B.A. from St. Joseph's University, Philadelphia, a B.S. from Trinity College, Dublin, and a diploma in Environmental Health from the Dublin Institute of Technology. Our Board of Directors believes Mr. Furey's qualifications to serve as a member of our board include his extensive experience in the biopharmaceutical industry and his years of experience in his leadership roles as an executive officer.

Based on his extensive experience as a senior executive in the pharmaceutical and healthcare sectors, the Corporate Governance and Nominating Committee concluded that Mr. Furey is qualified to serve on our Board of Directors.

***THE BOARD OF DIRECTORS RECOMMENDS A VOTE  
FOR THE RE-ELECTION OF JOHN FUREY TO THE BOARD OF DIRECTORS***

Table of Contents

**PROPOSAL 2 RE-ELECTION OF ALI BEHBAHANI TO THE BOARD OF DIRECTORS**

Dr. Ali Behbahani is currently a member of our Board of Directors and has been nominated for re-election as a director. If elected, he will hold office from the date of his election until the next annual general meeting of shareholders where he must retire by rotation and offer himself for re-election, or until his earlier death, resignation or removal. Dr. Behbahani has agreed to serve if elected, and we have no reason to believe that he will be unable to serve.

Dr. Behbahani, 42, has served as a Non-Executive Director since February 2015 and also serves as a member of our Corporate Governance and Nominating Committee. He formerly served as a Non-Executive Director of Adaptimmune Limited since September 2014, initially in a capacity as a nominee of NEA, one of our shareholders. Dr. Behbahani has been a General Partner on the healthcare team at NEA since 2018, having worked for the fund since 2007, specializing in investments in the biopharmaceutical, medical device, specialty pharmaceutical and healthcare services sectors. He is currently a board member of public companies Nevro Corp (NYSE: NVRO), Genoece (NASDAQ: GNCA) and CRISPR Therapeutics AG (NASDAQ: CRSP) and also serves as a director for several private companies, including Oyster Point Pharma, Inc., Minerva Surgical, Inc. and Nkarta, Inc. He has previously worked as a consultant in business development at The Medicines Company and held positions as a Venture Associate at Morgan Stanley Venture Partners from 2000 to 2002 and as a Healthcare Investment Banking Analyst at Lehman Brothers from 1998 to 2000. Dr. Behbahani conducted basic science research in the fields of viral fusion inhibition and structural proteomics at the National Institutes of Health and at Duke University. He holds an M.D. degree from The University of Pennsylvania School of Medicine and an M.B.A. from The University of Pennsylvania Wharton School. Our Board of Directors believes Dr. Behbahani's qualifications to serve as a member of our board include his financial expertise, his experience as a venture capital investor, his extensive experience in the healthcare industry and his years of experience in his leadership roles as a director and executive officer.

Based on his extensive experience as a senior executive and board member in the pharmaceutical and healthcare sectors, the Corporate Governance and Nominating Committee concluded that Dr. Behbahani is qualified to serve on our Board of Directors. Dr. Behbahani recused himself from the Corporate Governance and Nominating Committee's deliberations concerning his nomination.

***THE BOARD OF DIRECTORS RECOMMENDS A VOTE  
FOR THE RE-ELECTION OF ALI BEHBAHANI TO THE BOARD OF DIRECTORS***

Table of Contents

**PROPOSAL 3 RE-ELECTION OF JAMES NOBLE TO THE BOARD OF DIRECTORS**

Mr. James Noble is currently a member of our Board of Directors and has been nominated for re-election as a director. If elected, he will hold office from the date of his election until the next annual general meeting of shareholders where he must retire by rotation and offer himself for re-election, or until his earlier death, resignation or removal. Mr. Noble has agreed to serve if elected, and we have no reason to believe that he will be unable to serve.

Mr. Noble, 59, as served as our full-time Chief Executive Officer since March 2014, and part-time CEO from July 2008 to March 2014, and is one of our co-founders. From July 2008 until March 2014, Mr. Noble was also CEO of Immunocore. Mr. Noble has 28 years of experience in the biotech industry. He has held numerous non-executive director positions, including at CuraGen Corporation, PowderJect Pharmaceuticals plc, Oxford GlycoSciences plc, MediGene AG, and Advanced Medical Solutions plc. Mr. Noble is also Deputy Chairman of GW Pharmaceuticals plc (NASDAQ: GWPH). Mr. Noble qualified as a chartered accountant with Price Waterhouse and spent seven years at the investment bank Kleinwort Benson Limited, where he became a director in 1990. He then joined British Biotech plc as Chief Financial Officer from 1990 to 1997. Mr. Noble was previously Chief Executive Officer of Avidex Limited, a privately held biotechnology company that was our predecessor, from 2000 to 2006. Mr. Noble holds an M.A. from the University of Oxford. Our Board of Directors believes Mr. Noble's qualifications to serve as a member of our board include his financial expertise, his extensive experience in the biopharmaceutical industry and his years of experience in his leadership roles as a director and executive officer.

Based on his extensive experience as a senior executive and board member in the biotechnology, pharmaceutical and healthcare sectors, the Corporate Governance and Nominating Committee concluded that Mr. Noble is qualified to serve on our Board of Directors.

***THE BOARD OF DIRECTORS RECOMMENDS A VOTE  
FOR THE RE-ELECTION OF JAMES NOBLE TO THE BOARD OF DIRECTORS***

Table of Contents**PROPOSAL 4 RE-APPOINTMENT OF KPMG LLP AS OUR AUDITORS, TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Proposal 4 seeks your approval of the re-appointment of KPMG LLP to serve as our auditor, to hold office until the conclusion of the next annual general meeting of shareholders. In the event this proposal does not receive the affirmative vote of the holders of a majority of the shares entitled to vote and who are present in person or represented by proxy at the Meeting, the Board of Directors may appoint an auditor to fill the vacancy.

**Background to Proposal 4**

Our Audit Committee has selected KPMG LLP ("KPMG") as our independent registered public accounting firm for the fiscal year ending December 31, 2019, and has further directed that we submit the selection of KPMG for approval by our shareholders at the Meeting.

The Audit Committee approves KPMG's and its affiliates audit and non-audit services in advance as required under Sarbanes-Oxley and SEC rules. Before the commencement of each fiscal year, the Audit Committee appoints the independent auditor to perform audit services that we expect to be performed for the fiscal year and appoints the auditor to perform audit-related, tax and other permitted non-audit services. In addition, our Audit Committee approves the terms of the engagement letter to be entered into by us with the independent auditor. The Audit Committee has also delegated to its chairman the authority, from time to time, to pre-approve audit-related and non-audit services not prohibited by law to be performed by our independent auditors and associated fees, provided that the chairman shall report any decisions to pre-approve such audit-related and non-audit services and fees to our full Audit Committee at its next regular meeting. Additional information concerning the Audit Committee and its activities can be found in the following sections of this proxy statement: "*Board Committees*" and "*Report of the Audit Committee*."

KPMG commenced auditing our annual financial statements with the fiscal year 2010.

**Fees for Independent Registered Public Accounting Firm KPMG**

The table below sets forth a summary of the fees billed to the Company by KPMG for professional services rendered for the fiscal years ended December 31, 2018 and December 31, 2017. All such audit and audit-related services were pre-approved by the Audit Committee, which concluded that the provision of such services by KPMG was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

Fees	December 31, 2018 (\$)	December 31, 2017 (\$)
Audit Fees(1)	589,000	193,000
Audit-related Fees(2)	172,000	110,000
Tax Fees(3)		
All Other Fees(4)	10,000	6,000
<b>Total</b>	<b>771,000</b>	<b>309,000</b>

(1) Audit Fees consist of fees billed for the audit of our annual consolidated financial statements

(2) Audit-related Fees consist of fees billed for the review of our interim consolidated financial statements and related services that are normally provided in connection with registration statements. Included in the 2018 fees are fees billed in connection with our S-3 filing.

Table of Contents

- (3) Tax Fees consist of fees for professional services, including tax consulting and compliance. There were no such fees incurred in 2018 or 2017.
- (4) All Other Fees incurred were \$10,000 in 2018 and \$6,000 in 2017.

***THE BOARD OF DIRECTORS RECOMMENDS A VOTE  
FOR THE RE-APPOINTMENT OF KPMG LLP AS OUR AUDITORS, TO HOLD OFFICE UNTIL THE  
CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF SHAREHOLDERS***

Table of Contents

**PROPOSAL 5 AUTHORIZATION FOR THE AUDIT COMMITTEE TO DETERMINE THE AUDITORS' REMUNERATION FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019**

Proposal 5 authorizes the Audit Committee to determine our auditors' remuneration for the fiscal year ending December 31, 2019. Fees for KPMG, our independent registered public accounting firm and U.K. statutory auditors, in respect of the years ended December 31, 2018 and December 31, 2017, are set forth in Proposal 4 above.

***THE BOARD OF DIRECTORS RECOMMENDS A VOTE  
FOR THE AUTHORIZATION OF OUR AUDIT COMMITTEE TO DETERMINE OUR AUDITORS'  
REMUNERATION FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019***

Table of Contents

**PROPOSAL 6 RESOLUTION TO RECEIVE THE COMPANY'S U.K. STATUTORY ANNUAL  
ACCOUNTS AND REPORTS**

At the Meeting, our Board of Directors will present our U.K. statutory annual accounts and reports for the period January 1, 2018 through December 31, 2018, which includes the audited portion of the directors' annual report on remuneration. We will provide our shareholders with an opportunity to receive the U.K. statutory annual accounts and reports and to raise questions in relation to them.

***THE BOARD OF DIRECTORS RECOMMENDS A VOTE  
FOR THE RESOLUTION TO RECEIVE THE COMPANY'S U.K. STATUTORY ANNUAL ACCOUNTS AND  
REPORTS***



Table of Contents

**PROPOSAL 7 ADVISORY (NON-BINDING) VOTE TO APPROVE THE COMPANY'S EXECUTIVE COMPENSATION**

The Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, and Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act") enable our shareholders to approve, on an advisory, non-binding basis, the compensation of our named executive officers as disclosed under the "Compensation Discussion and Analysis" section, the 2018 Summary Compensation Table and the related compensation tables, notes, and narrative in this proxy statement.

This proposal, known as a "Say-on-Pay" proposal, gives our shareholders the opportunity to express their views on our named executive officers' compensation as a whole. This vote is not intended to address any specific item of compensation or any specific named executive officer, but rather the overall compensation of all of our named executive officers and the philosophy, policies and practices described in this proxy statement.

Our compensation programs are designed to support our business goals and promote our long-term profitable growth. Our equity plans are intended to align compensation with the long-term interests of our shareholders. We urge shareholders to read the "Compensation Discussion and Analysis", which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives. We also encourage you to review the 2018 Summary Compensation Table and other related compensation tables and narratives, which provide detailed information on the compensation of our named executive officers. The Board and the Remuneration Committee believe that the policies and procedures described and explained in the "Compensation Discussion & Analysis" are effective in achieving our goals.

The vote under this Proposal No. 7 is advisory, and therefore not binding on the Company, the Board or our Remuneration Committee. However, our Board of Directors and Remuneration Committee values the opinions of our shareholders and will review and consider the voting results when making future decisions regarding our executive compensation program.

Shareholders will be asked at the Meeting to approve the following resolution pursuant to this Proposal No. 7:

**"RESOLVED**, that the shareholders of the Company approve, on a non-binding, advisory basis, the compensation of the Company's "named executive officers," as disclosed in this proxy statement under the "Compensation Discussion and Analysis" section, the compensation tables and the narrative disclosures that accompany the compensation tables."

***THE BOARD RECOMMENDS YOU VOTE  
FOR APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS  
SET FORTH IN THIS PROXY STATEMENT***

Table of Contents

**PROPOSAL 8 ADVISORY VOTE ON THE FREQUENCY OF FUTURE VOTES ON EXECUTIVE COMPENSATION**

The Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, enables our shareholders to indicate, at least once every six years, how frequently we should seek a non-binding vote on the compensation of our named executive officers, as disclosed pursuant to the SEC's compensation disclosure rules. By voting on this Proposal No. 8, shareholders may indicate whether they would prefer a non-binding vote on named executive officer compensation once every one, two, or three years.

Our Board believes that it is appropriate to give our shareholders the opportunity to provide regular input on our executive compensation program through an advisory vote. Accordingly, our Board recommends that you vote to hold an advisory vote on executive compensation every year.

We understand that our shareholders may have different views as to what is the best approach for the Company, and we look forward to hearing from our shareholders on this Proposal.

You may cast your vote on your preferred voting frequency by choosing the option of one year, two years, three years, or abstain from voting when you vote in response to the resolution set forth below:

**"RESOLVED**, that the option of once every one year, two years, or three years that receives the highest number of votes cast for this resolution will be determined to be the preferred frequency with which the Company is to hold a shareholder vote to approve the compensation of the named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables, and the other related disclosure."

The option of one year, two years, or three years that receives the highest number of votes cast by shareholders will be the frequency for the advisory vote on executive compensation that has been selected by shareholders. However, because this vote is advisory and not binding on the Company, our Remuneration Committee, or our Board in any way, we may decide that it is in the best interests of our shareholders and the Company to hold an advisory vote on executive compensation more or less frequently than the vote frequency approved by our shareholders.

***THE BOARD OF DIRECTORS RECOMMENDS YOU VOTE  
FOR THE PROPOSAL THAT THE ADVISORY VOTE ON COMPENSATION PAID TO OUR NAMED EXECUTIVE OFFICERS  
OCCUR ANNUALLY***

Table of Contents

**PROPOSAL 9 APPROVAL OF OUR U.K. STATUTORY DIRECTORS' ANNUAL REPORT ON REMUNERATION**

Our U.K. statutory directors' remuneration report is set forth as *Annex A* to this proxy statement. The directors' remuneration report includes the annual report on remuneration. This document describes in detail our remuneration policies and procedures and explains how these policies and procedures help to achieve our compensation objectives with regard to our directors and the retention of high-quality directors. Our Board of Directors and the Remuneration Committee believe that the policies and procedures as articulated in the directors' remuneration report are effective and that as a result of these policies and procedures we have and will continue to have high-quality directors. Our Board of Directors has approved and signed the report in accordance with English law.

At the Meeting, the shareholders will vote on the annual report on remuneration. This vote is advisory and non-binding. Although non-binding, our Board of Directors and Remuneration Committee will review and consider the voting results when making future decisions regarding our director remuneration program. Following the Meeting, and as required under English law, the directors' annual report on remuneration will be delivered to the U.K. Registrar of Companies.

***THE BOARD RECOMMENDS YOU VOTE  
FOR APPROVAL OF OUR U.K. STATUTORY DIRECTORS' ANNUAL REPORT ON REMUNERATION  
SET FORTH IN ANNEX A***

Table of Contents

**BACKGROUND TO PROPOSALS 10 AND 11**

Pursuant to the U.K. Companies Act 2006, our Board of Directors may only allot shares or grant rights over shares if authorized to do so by our shareholders. If so authorized, the U.K. Companies Act 2006 requires us, where the allotment is for cash, to offer them in the first instance to our existing shareholders in proportion to their holdings, unless the shareholders have sanctioned the disapplication of their statutory rights of pre-emption in respect of such allotment or grant of rights.

Our Board of Directors anticipates that there may be occasions when they need flexibility to finance business opportunities and growth, or otherwise act in the best interests of the Company, by the issuance of shares or grant of rights over shares without a pre-emptive offer to existing shareholders. To ensure our continued ability to respond to market conditions and address business needs, our Board of Directors considers it appropriate that they be authorized to allot shares up to an aggregate nominal amount of £207,288.00 and within this amount be empowered to allot shares or grant rights over shares up to an aggregate nominal amount of £157,500.00 on a non-pre-emptive basis. This authority to allot shares and power to allot shares on a non-pre-emptive basis will replace all of the existing authorities and powers granted by our shareholders.

These proposals are fully compliant with U.K. company law, consistent with U.S. capital markets practice and governance standards, and if approved, will keep us on an equal footing with our peer companies who are incorporated in the U.S.A. We are asking you to approve these proposals to allow us to continue to execute on our business and growth strategy in a timely and competitive manner.

The full details of the proposals are set forth below.

Table of Contents

**PROPOSAL 10 AUTHORIZATION OF ALLOTMENT OF SHARES**

Under the U.K. Companies Act 2006, our Board of Directors cannot allot shares in the Company (other than pursuant to an employee share scheme) unless they are authorized to do so by the Company in general meeting. The Directors currently have an existing authority to allot shares in the Company and to grant rights to subscribe for or convert securities into shares in the Company. This authority was granted to the Directors on June 21, 2017 and was in respect of a maximum aggregate nominal amount of £140,000.00, which represented approximately 25% of the then issued ordinary share capital of the Company, and it remains unexercised in respect of approximately 11% of the Company's issued ordinary share capital. Resolution 10 is an ordinary resolution to seek a new authority, which will replace the existing authority.

Resolution 10 proposes that the Directors are granted authority to allot new shares or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £207,288.00. This amount represents approximately 33% of the issued share capital of the Company as of March 13, 2019. If approved by shareholders, this authority will run for five years and will expire on May 1, 2024.

The Directors have no present intention of exercising this authority, except in relation to the Company's share incentive schemes, but believe it is in the interests of shareholders for the Directors to have this flexibility to allot shares otherwise than just in relation to the Company's share incentive schemes should circumstances and their intentions change.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE  
FOR THE APPROVAL OF PROPOSAL 10**

Table of Contents

**PROPOSAL 11 DISAPPLICATION OF PRE-EMPTION RIGHTS**

This Resolution seeks a disapplication of pre-emption rights for cash issues of up to a certain proportion of the Company's issued ordinary share capital. Our Board of Directors currently has a power to allot shares as if the rights of pre-emption applicable under the U.K. Companies Act did not apply for cash issues. This power was granted to the Directors pursuant to shareholder resolutions passed on June 21, 2017 and was in respect of a maximum aggregate nominal amount of £140,000.00, which represented approximately 25% of the then issued ordinary share capital of the Company, and it remains unexercised in respect of approximately 11% of the Company's issued ordinary share capital.

The Directors have decided to seek a new disapplication of pre-emption rights for cash issues to replace the existing power. This Resolution will, if passed, give the Directors power, pursuant to the authority to allot granted by Resolution 10, to allot shares for cash or to grant rights to subscribe for or to convert any security into shares without first offering them to existing shareholders in proportion to their existing holdings up to an aggregate maximum nominal amount of £157,500.00, which represents approximately 25% of the Company's issued share capital as of March 13, 2019.

This Resolution will be required to be passed as a special resolution and, if passed, this power will expire at the end of the AGM of the Company to be held in 2021.

The Directors have no present intention of exercising this power, except in relation to the Company's share incentive schemes, but believe it is in the interests of shareholders for the Directors to have this flexibility to allot shares for cash otherwise than just in relation to the Company's share incentive schemes should circumstances and their intentions change.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE  
*FOR* THE APPROVAL OF PROPOSAL 11**

Table of Contents**BOARD OF DIRECTORS AND CORPORATE GOVERNANCE****BOARD OF DIRECTORS****Directors**

Below is a list of our Directors and their ages as of the date of this proxy statement.

<b>Name</b>	<b>Age</b>	<b>Position</b>
David M. Mott	53	Chairman of the Board of Directors
Lawrence M. Alleva	69	Non-Executive Director
Ali Behbahani, M.D.	42	Non-Executive Director
Barbara Duncan	54	Non-Executive Director
John Furey	54	Non-Executive Director
Giles Kerr.	59	Non-Executive Director
Elliott Sigal, Ph.D, M.D.	67	Non-Executive Director
Tal Zaks, Ph.D, M.D.	53	Non-Executive Director
James Noble	59	Chief Executive Officer and Director

During the year ended December 31, 2018, there were six full meetings of our Board of Directors. All of our then Directors attended a minimum of 75% of the aggregate of the meetings of the Board of Directors and meetings of the committees of which he or she was a member during 2018, with the exception of Dr. Tal Zaks who attended 64% of the meetings. Dr. Zaks had to give apologies for Board and Remuneration Committee meetings in December 2018, due to a clash with the launch of the IPO of Moderna Inc, of which he is Chief Medical Officer, but he reviewed the Board and Committee papers in advance and provided feedback to the meetings through the chairman. Mr. Furey was appointed to the Board of Directors and the Remuneration Committee effective from July 5, 2018 and attended 100% of the meetings of the Board of Directors and of the Remuneration Committee from his appointment date through to the end of 2018. Effective July 5, 2018, Peter Thompson, M.D., Ph.D stepped down as a member of the Board of Directors. During his service as a director in 2018, Dr. Thompson attended over 75% of the meetings of the Board of Directors and of the Remuneration Committee prior to July 5, 2018.

The biographical information for John Furey, Ali Behbahani and James Noble, the nominees to our Board of Directors, is provided in "Proposal 1 Re-Election of John Furey to the Board of Directors", "Proposal 2 Re-Election of Ali Behbahani to the Board of Directors" and "Proposal 3 Re-Election of James Noble to the Board of Directors" respectively.

Below is biographical information for those directors who are not standing for re-election at this Meeting and who will remain seated following the Meeting.

*David M. Mott* has served as our Chairman since January 2017 and as a Non-Executive Director since February 2015. He also serves as Chairman of our Remuneration Committee and of our Corporate Governance and Nominating Committee. He formerly served as a Non-Executive Director of Adaptimmune Limited since September 2014, initially in a capacity as a nominee of New Enterprise Associates ("NEA"), one of our shareholders. Mr. Mott has served as a General Partner of NEA, an investment firm focused on venture capital and growth equity investments, since 2008, and leads its healthcare investing practice. Prior to joining NEA, he was President and Chief Executive Officer of MedImmune Limited, a subsidiary of AstraZeneca Plc, and Executive Vice President of AstraZeneca. From 1992 to 2008, Mr. Mott worked at MedImmune and served in roles including Chief Operating Officer, Chief Financial Officer, President and Chief Executive Officer. Prior to joining MedImmune, Mr. Mott was Vice President in the Health Care Investment Banking Group at Smith Barney, Harris Upham & Co., Inc.

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

Mr. Mott is currently Chairman of Ardelyx, Inc. (NASDAQ: ARDX), Epizyme, Inc. (NASDAQ: EPZM) and Mersana Therapeutics, Inc. (NASDAQ: MRSN), and is a director of Nightstar Therapeutics plc (NASDAQ: NITE). He previously served as Chairman of TESARO, Inc. (NASDAQ: TSRO). He is also a director of several private companies and has previously served on numerous public and private company boards. Mr. Mott received a Bachelor of Arts degree from Dartmouth College. Our Board of Directors believes Mr. Mott's qualifications to serve as a member of our board include his financial expertise, his experience as a venture capital investor, his extensive experience in the pharmaceutical industry and his years of experience in his leadership roles as a director and executive officer.

*Lawrence Alleva* has served as a Non-Executive Director since March 2015 and also serves as Chairman of our Audit Committee. He is a former partner with PricewaterhouseCoopers LLP (PwC), where he worked for 39 years from 1971 until his retirement in June 2010, including 28 years' service as a partner. Mr. Alleva worked with numerous pharmaceutical and biotechnology companies as clients and, additionally, served PwC in a variety of office, regional and national practice leadership roles, most recently as the U.S. Ethics and Compliance Leader for the firm's Assurance Practice from 2006 until 2010. Mr. Alleva currently serves as a director for public companies Bright Horizons Family Solutions, Inc. (NYSE: BFAM) and Mersana Therapeutics, Inc. (NASDAQ: MRSN) and chairs the audit committee for those companies. He previously served as a director of TESARO, Inc. (NASDAQ: TSRO) and Mirna Therapeutics, Inc. (NYSE: MIRN), and of GlobalLogic, Inc. through the sale of the company in 2013 and chaired the audit committee for those companies. Mr. Alleva is a Certified Public Accountant (inactive). He received a B.S. degree in Accounting from Ithaca College and attended Columbia University's Executive M.B.A. non-degree program. Our Board of Directors believes Mr. Alleva's qualifications to serve as a member of our board include his financial expertise, his extensive experience working with public companies on corporate finance and accounting matters as a Certified Public Accountant (inactive), his experience serving as a director on other corporate boards and his experience in a senior leadership role at PwC.

*Barbara Duncan* has served as a Non-Executive Director since June 2016 and also serves as a member of our Audit Committee. She has over 16 years of experience in the life sciences industry and served as Chief Financial Officer and Treasurer at Intercept Pharmaceuticals, Inc. (Nasdaq: ICPT) from May 2009 through June 2016, and as Chief Financial Officer and then Chief Executive Officer at DOV Pharmaceuticals, Inc. from 2001 to 2009. Prior to joining DOV, Ms. Duncan served as Vice President of Corporate Finance Global Healthcare at Lehman Brothers Inc. from 1998 to 2001, and as Director of Corporate Finance at SBC Warburg Dillon Read Inc. from 1994 to 1998. She also worked for PepsiCo, Inc. from 1989 to 1992 in its international audit division, and was a certified public accountant in the audit division of Deloitte & Touche LLP from 1986 to 1989. Ms. Duncan currently serves as a director for Aevi Genomic Medicine (NASDAQ: GNMX), Immunomedics, Inc. (NASDAQ: IMMU), Jounce Therapeutics, Inc. (NASDAQ: JNCE), ObsEva SA (NASDAQ: OBSV) and Ovid Therapeutics, Inc. (NASDAQ: OVID). She holds an M.B.A. from the Wharton School of the University of Pennsylvania and a Bachelor of Business Administration from Louisiana State University. Our Board of Directors believes Ms. Duncan's qualifications to serve as a member of our board include her financial expertise, her extensive experience in the healthcare industry and her years of experience in her leadership roles as a director and executive officer.

*Giles Kerr* has served as a Non-Executive Director since November 2016 and also serves as a member of our Audit Committee and of our Corporate Governance and Nominating Committee. He has substantial commercial and financial experience gained from service on numerous public and private company boards and as an audit partner. Mr. Kerr served as Director of Finance of the University of Oxford from January 2005 through December 2018. He currently serves as a Board member and Audit Committee member of public companies Abcam plc (LSE: ABC), Arix Bioscience plc (LSE: ARIX) Paypoint plc (LSE: PAY) and Senior plc (LSE: SNR) and on the boards



## Table of Contents

of several private companies including Oxford Sciences Innovation plc and Oxford Capital Fund. Mr. Kerr previously served in roles of increasing seniority at Amersham plc since 1990, including as Chief Financial Officer and a Board member from 1997 to 2004, when the company was acquired by GE Healthcare, and as a director of BTG plc (LSE: BTG), Victrex plc and of Elan Corporation Inc. Prior to his role at Amersham, Mr. Kerr was a National Partner with Arthur Andersen. He is a Fellow of the Institute of Chartered Accountants of England and Wales and holds a B.A. degree in Economics from the University of York, U.K. Our Board of Directors believes Mr. Kerr's qualifications to serve as a member of our board include his financial expertise, his extensive experience in the healthcare industry and his years of experience in his leadership roles as a director and executive officer.

*Elliott Sigal* has served as a Non-Executive Director since February 2015 and also serves as a member of our Corporate Governance and Nominating Committee. He formerly served as a Non-Executive Director of Adaptimmune Limited since September 2014. Dr. Sigal is a former Executive Vice President and member of the Board of Directors of Bristol-Myers Squibb ("BMS"). He joined BMS in 1997 as head of Applied Genomics, went on to head Discovery Research followed by clinical development and ultimately served as Chief Scientific Officer and President of R&D from 2004 until 2013. Dr. Sigal serves as a board member for Spark Therapeutics, Inc (NASDAQ: ONCE), Surface Oncology, Inc (NASDAQ: SURF) and the Melanoma Research Alliance, and previously served as a director of the Mead Johnson Nutrition Company. He also serves as a senior advisor to the healthcare team of NEA and consults for several biotechnology companies. Dr. Sigal holds an M.D. from the University of Chicago and trained in Internal Medicine and Pulmonary Medicine at the University of California, San Francisco, where he was on faculty from 1988 to 1992. He also holds a B.S., M.S., and Ph.D. in engineering from Purdue University. Our Board of Directors believes Dr. Sigal's qualifications to serve as a member of our board include his extensive experience in the pharmaceutical industry and his years of experience in his leadership roles as a director and executive officer.

*Tal Zaks* has served as a Non-Executive Director since November 2016 and also serves as a member of our Remuneration Committee. He has substantial research, development and commercialization experience gained from service in industry and academia. Dr. Zaks has served as the Chief Medical Officer of Moderna, Inc. (NASDAQ: MRNA) since March 2015. He previously served as Senior Vice President and Head of Global Oncology at Sanofi Inc, where he was responsible for all aspects of oncology drug discovery, development and commercialization. Dr. Zaks began his industry career at GlaxoSmithKline in the genetics research group, where he built the oncology translational medicine team and led translational research on lapatinib as well as the in-licensing and clinical development of foretinib. In addition to his industry work, Dr. Zaks is an Adjunct Associate Professor of Medicine at the University of Pennsylvania and has served as a volunteer physician at the Philadelphia Veterans Administration Medical Center, treating patients with genitourinary cancers. Dr. Zaks received his M.D. and Ph.D. degrees from the Ben Gurion University in Israel and conducted post-doctoral research at the U.S. National Institutes of Health. He completed his clinical training in internal medicine at Temple University Hospital followed by a fellowship in medical oncology at the University of Pennsylvania. Our Board of Directors believes Dr. Zaks' qualifications to serve as a member of our board include his extensive experience in the biopharmaceutical industry and his years of experience in his leadership roles as an executive officer.

## **CORPORATE GOVERNANCE**

### *Structure of our Board of Directors*

The leadership structure of our Board of Directors separates the positions of Chief Executive Officer and Chairman of the Board in order to ensure independent leadership of the Board. Our Board believes that this separation is appropriate for the Company at this time because it allows for a division of responsibilities, with our CEO focused on leading the Company while the Chairman can

Table of Contents

focus on leading the Board in overseeing management, and for a sharing of ideas between individuals having different perspectives.

***Independence of our Board of Directors***

Our Board of Directors has determined that all of our directors, other than James Noble, our CEO, qualify as "independent" directors in accordance with the independence requirements under the applicable listing standards of The Nasdaq Global Market as well as applicable rules promulgated by the SEC. Mr. Noble is not considered independent because he is an employee of the Company.

Our Board of Directors has made a subjective determination as to each independent director that no relationships exist that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our Board of Directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management. There are no family relationships among any of our directors or executive officers.

Our independent directors meet in regularly scheduled executive sessions at which only independent directors are present. All of the committees of our Board of Directors are comprised entirely of directors determined by the Board of Directors to be independent.

***Board Oversight of Risk Management***

Our management is primarily responsible for assessing and managing risk, while our Board of Directors is responsible for overseeing management's execution of its responsibilities. Our Board of Directors is supported by its committees in fulfillment of this responsibility. For example, our Audit Committee focuses on our overall financial risk by evaluating our internal controls and disclosure policies as well as ensuring the integrity of our financial statements and periodic reports. The Audit Committee also monitors compliance with legal and regulatory requirements. Our Remuneration Committee strives to create incentives that encourage an appropriate level of risk-taking consistent with our business strategy. Finally, our Corporate Governance and Nominating Committee ensures that our governance policies and procedures are appropriate in light of the risks we face.

***COMMITTEES OF OUR BOARD OF DIRECTORS***

Our Board of Directors has three standing committees: the Audit Committee, the Remuneration Committee, and the Corporate Governance and Nominating Committee. The charters for each of these committees can be found on our website at <https://www.adaptimmune.com>.

Name	Audit	Remuneration	Corporate Governance and Nominating
David M. Mott		Chair	Chair
Lawrence M. Alleva	Chair		
Ali Behbahani, M.D.			X
Barbara Duncan	X		
John Furey		X	
Giles Kerr.	X		X
Elliott Sigal, Ph.D, M.D.			X
Tal Zaks, Ph.D, M.D.		X	

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

#### ***Audit Committee***

Our Audit Committee is currently composed of Mr. Alleva, Ms. Duncan and Mr. Kerr, with Mr. Alleva serving as chairman of the committee. Our Board of Directors has determined that each member of the Audit Committee meets the independence requirements of Rule 10A-3 under the Exchange Act and the applicable listing standards of The Nasdaq Global Market. Our Board of Directors has determined that each of Mr. Alleva, Ms. Duncan and Mr. Kerr is an "audit committee financial expert" within the meaning of SEC regulations and the applicable listing standards of The Nasdaq Global Market. The Audit Committee held eight meetings during 2018. The Audit Committee's responsibilities include:

overseeing and reviewing our internal controls, accounting policies and financial reporting and provide a forum through which our independent registered public accounting firm reports;

meeting at least once a year with our independent registered public accounting firm without executive Board members present;

overseeing the activities of our independent registered public accounting firm, including their appointment, reappointment or removal, as well as monitoring of their objectivity and independence;

considering the fees paid to the independent registered public accounting firm and determine whether the fee levels for non-audit services, individually and in aggregate, relative to the audit fee are appropriate to enable an effective and high quality audit to be conducted; and

maintaining oversight over related person transactions to ensure that they are appropriately disclosed and to make recommendations to the Board of Directors regarding authorization, and for considering noteworthy questions of possible conflicts of interest involving directors.

#### ***Remuneration Committee***

Our Remuneration Committee is currently composed of Mr. Mott, Mr. Furey and Dr. Zaks, with Mr. Mott serving as chairman of the committee. Our Board of Directors has determined that each member of the Remuneration Committee is "independent" as defined under the applicable listing standards of The Nasdaq Global Market. The Remuneration Committee held five meetings during 2018. The Remuneration Committee's responsibilities include:

reviewing corporate goals and objectives relevant to the compensation of our senior executive officers and making recommendations concerning such objectives to the Board of Directors;

appointing, compensating and overseeing the work of any compensation consultant or other advisor retained by the Remuneration Committee;

reviewing the performance of our senior executive officers and our Chief Executive Officer who is our sole executive director;

setting the policy for the remuneration of the senior executive officers and executive directors and the basis of their service and employment agreements with due regard to the interests of the shareholders;

reviewing and approving the compensation of our senior executive officers other than our Chief Executive Officer;

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

making recommendations to the Board of Directors with respect to the compensation of the Chief Executive Officer and the Non-Executive Directors;

determining the allocation of awards under our share option schemes to our senior executive officers, making recommendations to the Board of Directors with respect to the allocation of

Table of Contents

option awards to our Chief Executive Officer and setting the overall allocation of option awards to our employees and consultants;

producing a directors' remuneration policy and an annual directors' remuneration report to be included in our U.K. statutory annual report and financial statements; and

producing a remuneration committee report on executive compensation when required by the rules of the SEC to be included in our annual proxy statement.

*Remuneration Committee Interlocks and Insider Participation*

None of the members of our Remuneration Committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of our Remuneration Committee or the remuneration committee of any entity that has one or more executive officers serving on our Board of Directors.

As noted above, our Board of Directors has delegated to the Remuneration Committee the authority to determine the compensation for our executive officers with the exception of our Chief Executive Officer who is also our sole executive director. Executive and non-executive director compensation is recommended by our Remuneration Committee to the Board of Directors for approval. Our Chief Executive Officer may participate in general discussions with our Remuneration Committee and Board of Directors about these compensation matters but he does not participate in discussions during which his individual compensation is being considered and approved. Our policy is that no individual will participate in discussions or decisions concerning his or her own compensation.

In 2017, the Committee retained Willis Towers Watson, an independent compensation consultant, to assist the Committee with respect to compensation actions in 2018 with the goal of ensuring that our compensation arrangements for our CEO, our other senior executive officers and our non-executive directors were competitive. Willis Towers Watson provided data from comparable publicly traded biopharmaceutical companies and otherwise assisted the Committee in its design of competitive compensation for our senior executives and non-executive directors. The Committee expects to continue to use compensation consultants to assist the Committee in determining competitive levels of executive and non-executive compensation and specific design elements of our executive compensation program and non-executive directors' compensation program. The Committee continued to retain Willis Towers Watson through 2018 and 2019 in order to ensure that our compensation arrangements are competitive for 2019. After review and consultation with Willis Towers Watson, the Committee determined that Willis Towers Watson is independent and that there is no conflict of interest resulting from retaining Willis Towers Watson in 2018 or in 2019. In reaching these conclusions, our Remuneration Committee considered the factors set forth in the SEC rules and the applicable listing standards of The Nasdaq Global Market.

*Corporate Governance and Nominating Committee*

Our Corporate Governance and Nominating Committee is composed of Mr. Mott, Dr. Behbahani, Mr. Kerr and Dr. Sigal, with Mr. Mott serving as chairman of the committee. Our Board of Directors has determined that each member of the Corporate Governance and Nominating Committee is "independent" as defined under the applicable listing standards of The Nasdaq Global Market. The Corporate Governance and Nominating Committee held three meetings during 2018. The Nominating and Corporate Governance Committee's responsibilities include:

reviewing the structure, size and composition of the Board of Directors;

recommending to our Board of Directors individuals to be nominated for election as directors and to each of the committees of our Board;

Table of Contents

supervising the selection and appointment process of directors;

making recommendations to the Board of Directors with regard to any changes and using an external search consultant if considered appropriate;

appointing, compensating and overseeing the work of any search firm or other advisor retained by the Committee;

making final recommendations to the Board of Directors with respect to new appointments, which includes meeting the candidate prior to approving the appointment;

overseeing the induction of new directors and providing appropriate training to the Board of Directors during the course of the year in order to ensure that they have the knowledge and skills necessary to operate effectively; and

evaluating the performance of the Board of Directors, both on an individual basis and for the Board of Directors as a whole, taking into account such factors as attendance record, contribution during board meetings and the amount of time that has been dedicated to board matters during the course of the year.

***Director Nomination Process***

The Corporate Governance and Nominating Committee of the Board of Directors reviews possible candidates for the Board and recommends the nominees for Directors to the Board for approval. The criteria that the Corporate Governance and Nominating and Committee and the Board of Directors look for in determining candidates for election to the Board, include, among others:

the highest personal and professional ethics, integrity and values;

commitment to representing the long-term interests of the Company's shareholders;

independence under the standards promulgated by The Nasdaq Global Market; and

ability to dedicate the time and resources sufficient to ensure the diligent performance of his or her duties on our behalf, including attending all Board of Directors and applicable committee meetings.

Although we do not have a standalone diversity policy, diversity is among the critical factors that the Board of Directors considers when evaluating its composition. It is the Corporate Governance and Nominating Committee's policy that the composition of the Board of Directors reflect a range of talents, ages, skills, character, diversity and expertise, particularly in the areas of accounting and finance, management, domestic and international markets, leadership, corporate governance, and biotechnology and related industries, sufficient to provide sound and prudent guidance with respect to the operations and interests of the Company. The independent directors of our Board of Directors believe that the current members of the Board of Directors reflect an appropriate diversity of gender, age, race, geographical background and experience but are committed to continuing to consider diversity issues in evaluating the composition of the Board of Directors.

The Nominating and Corporate Governance Committee's policy does not contemplate any disparate treatment of management nominees versus those put forth by our shareholders. To date, the Committee has worked with Egon Zehnder and Perspective, each of whom is an independent global board and executive search firm, to assist in identifying and evaluating potential nominees against role specifications.

Table of Contents

***Shareholder Recommendations and Nominees***

It is the policy of our Board of Directors that the Nominating and Corporate Governance Committee consider both recommendations and nominations for candidates to the Board from shareholders so long as such recommendations and nominations comply with our Articles of Association and applicable laws, including the rules and regulations of the SEC. Shareholders may recommend director nominees for consideration by the Corporate Governance and Nominating Committee by writing to our Company Secretary at the address below, or the Company's registered office address from time to time, and providing evidence of the shareholder's ownership of our ordinary shares and/or ADSs, the nominee's name, home and business address and other contact information, as well as the nominee's detailed biographical data and qualifications for board membership, and information regarding any relationships between the recommended candidate and the Company within the last three fiscal years.

Following verification of the shareholder status of the person submitting the recommendation, all properly submitted recommendations will be promptly brought to the attention of the Corporate Governance and Nominating Committee. Shareholders who desire to nominate persons directly for election to the Board at an annual general meeting of shareholders must meet the deadlines and other requirements set forth under "Additional Information Shareholder Proposals for 2020 Annual General Meeting." Any vacancies on the Board of Directors occurring between our annual general meetings of shareholders may be filled by persons selected by a majority of the directors then in office, in which case any director so elected will serve until the next annual general meeting of shareholders when such director will offer himself/herself for re-election, or by persons elected by an ordinary resolution of the shareholders of the Company.

You may write to the Corporate Governance and Nominating Committee at:

c/o Margaret Henry  
Company Secretary  
Adaptimmune Therapeutics plc  
60 Jubilee Avenue  
Abingdon  
Oxfordshire OX14 4RX  
United Kingdom

***Code of Business Conduct and Ethics***

We have adopted a Code of Business Conduct and Ethics applicable to all of our directors, officers and employees. The Code of Business Conduct and Ethics is available on our website at <http://www.adaptimmune.com>. We expect that any amendments to this code or any waivers of its requirements will be disclosed on our website.

***Shareholder Communication with the Board of Directors***

It is the policy of our Board of Directors to allow shareholders to communicate with its members. Communications may be addressed to the entire board or to any individual director. All such communications will initially be received and processed by our Company Secretary. Spam, junk mail, advertisements and threatening, hostile, illegal and similar unsuitable communications will not be delivered to the Board. Shareholders can contact members of the Board Directors by writing care of our Company Secretary at the Company's registered office address.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table and related footnotes set forth information with respect to the beneficial ownership of our ordinary shares, as of March 1, 2019, by:

each beneficial owner of more than 5% of our ordinary shares

each of our named executive officers and directors;

all of our executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. Under these rules, beneficial ownership includes any shares as to which a person has sole or shared voting power or investment power. In computing the number of ordinary shares beneficially owned by a person and the percentage ownership of that person, ordinary shares subject to options, or other rights held by such person that are currently exercisable or will become exercisable within 60 days of March 1, 2019 are considered outstanding. These ordinary shares, however, are not included in the computation of the percentage ownership of any other person. Applicable percentage ownership is based on 628,148,866 ordinary shares outstanding as of March 1, 2019.

Unless otherwise indicated, the address for each of the shareholders listed in the table below is c/o Adaptimmune Therapeutics plc, 60 Jubilee Avenue, Milton Park, Oxfordshire OX14 4RX, United Kingdom.

Name of Beneficial Owner	Ordinary Shares Beneficially Owned	
	Number	Percent
<b>Greater than 5% Shareholders</b>		
Matrix Capital Management Master Fund L.P.(1)	162,894,000	25.93
New Enterprise Associates(2)	94,995,666	15.12
Capital World Investors(3)	40,756,200	6.49
<b>Named Executive Officers and Directors</b>		
James Noble(4)	19,844,263	3.16
Helen Tayton-Martin, Ph.D.(5)	7,533,157	1.20
Rafael Amado, M.D.(6)	5,942,505	0.95
Adrian Rawcliffe(7)	5,183,157	0.83
William Bertrand(8)	2,012,517	0.32
David M. Mott(9)	95,652,866	15.23
Ali Behbahani, M.D.(10)	95,556,698	15.21
Elliott Sigal, M.D., Ph.D.(11)	1,316,465	0.21
Lawrence M. Alleva(12)	1,108,492	0.18
Barbara Duncan(13)	540,737	0.09
Giles Kerr(14)	369,000	0.06
Tal Zaks, Ph.D.(15)	369,000	0.06
John Furey(16)		
<i>All Executive Officers and Directors as a Group (13 persons)</i>	140,433,191	22.36%

(1)

As of December 31, 2018 based on information provided in a Form 13F Report filed with the Securities and Exchange Commission ("SEC") on February 14, 2019 and a Schedule 13G/A filed with the SEC on January 10, 2019. Matrix Capital Management Company L.P., as investment manager of Matrix Capital Management Master Fund L.P., holds these shares in the form of ADSs. The registered office of Matrix Capital Management Master Fund L.P. is c/o Matrix Capital Management L.P., 1000 Winter Street, Suite 4500, Waltham, MA 02451.





## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

- (2) As of December 31, 2018 based on information provided in a Form 13F Report filed with the SEC on January 18, 2019 and a Schedule 13D filed with the SEC on September 17, 2018. Beneficial ownership consists of (i) 82,978,668 ordinary shares represented by 13,829,778 ADSs directly held by New Enterprise Associates 14, L.P., or NEA 14; (ii) 12,000,000 ordinary shares represented by 2,000,000 ADSs directly held by New Enterprise Associates 16, L.P., or NEA 16; and (iii) 16,998 ordinary shares represented by 2,833 ADSs directly held by NEA Ventures 14, L.P., or NEA Ven 14. The shares directly held by NEA 14 are indirectly held by NEA Partners 14, L.P., or NEA Partners 14, the sole general partner of NEA 14, NEA 14 GP, LTD, or NEA 14 LTD, the sole general partner of NEA Partners 14 and each of the individual Directors of NEA 14 LTD. The individual Directors, or collectively, the Directors of NEA 14 LTD, are Peter J. Barris, Forest Baskett, Anthony A. Florence, Jr., Patrick J. Kerins, David M. Mott (a member of our Board), Scott D. Sandell, Peter W. Sonsini and Ravi Viswanathan. The managers of NEA 16 are Peter J. Barris, Forest Baskett, David M. Mott, Scott D. Sandell, Peter W. Sonsini, Ravi Viswanathan, Ali Behbahani (a member of our Board), Carmen Chang, Mohamad H. Makhzoumi and Joshua Makower. All indirect holders of the above referenced shares disclaim beneficial ownership of all applicable shares except to the extent of their actual pecuniary interest therein. The principal business address of New Enterprise Associates, Inc. is 1954 Greenspring Drive, Suite 600, Timonium, MD 21093.
- (3) As of December 31, 2018 based on information provided in a Schedule 13G/A filed with the SEC on February 14, 2019. Capital World Investors, a division of Capital Research and Management Company (CRMC), a U.S.-based investment management company, holds these shares in the form of ADSs. The Capital Group Companies, Inc. is the parent company of CRMC. The business address for CRMC is 333 South Hope Street, Los Angeles, CA 90071.
- (4) Beneficial ownership for Mr. Noble consists of (i) 9,972,600 ordinary shares; (ii) 1,200,000 ordinary shares represented by 200,000 ADSs and (ii) options to purchase 8,671,663 ordinary shares that are or will be exercisable within 60 days of March 1, 2019.
- (5) Beneficial ownership for Dr. Tayton-Martin consists of (i) 1,815,000 ordinary shares and (ii) options to purchase 5,718,157 ordinary shares that are or will be exercisable within 60 days of March 1, 2019.
- (6) Beneficial ownership for Dr. Amado consists of (i) 144,012 ordinary shares represented by 24,002 ADSs and (ii) options to purchase 5,798,493 ordinary shares that are or will be exercisable within 60 days of March 1, 2019.
- (7) Beneficial ownership for Mr. Rawcliffe consists of (i) 38,412 ordinary shares represented by 6,402 ADSs and (ii) options to purchase 5,144,745 ordinary shares that are or will be exercisable within 60 days of March 1, 2019.
- (8) Beneficial ownership for Mr. Bertrand consists of (i) 36,012 ordinary shares represented by 6,002 ADSs and (ii) options to purchase 1,976,505 ordinary shares that are or will be exercisable within 60 days of March 1, 2019.
- (9) Includes the shares set forth in footnote (1) above and options held by Mr. Mott to purchase 657,200 ordinary shares that are exercisable immediately. Mr. Mott is a member of the Board at NEA 14 GP, Ltd, which has ultimate voting and investment power over shares held of record by New Enterprise Associates 14, Limited Partnership. He disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.
- (10) Includes the shares set forth in footnote (1) above and options held by Dr. Behbahani to purchase 561,032 ordinary shares that are exercisable immediately. Dr. Behbahani is a

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

partner of New Enterprise Associates, Inc., which has ultimate voting and investment power over shares held of record by New Enterprise Associates 14, Limited Partnership.

- (11) Includes 254,100 ordinary shares, and 60,000 ordinary shares represented by 10,000 ADSs held by Sigal Family Investments, LLC, and options held by Dr. Sigal to purchase 949,427 ordinary shares that are or will be exercisable within 60 days of March 1, 2019. Dr. Sigal is a manager of Sigal Family Investments, LLC. Dr. Sigal may be deemed to have voting and investment power over the shares held by Sigal Family Investments, LLC. Dr. Sigal disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. Also included in the ordinary shares beneficially owned are 52,938 ordinary shares represented by 8,823 ADSs that Dr. Sigal purchased during the IPO.
- (12) Consists of (i) options held by Mr. Alleva to purchase 990,628 ordinary shares that are or will be exercisable within 60 days of March 1, 2019; (ii) 70,584 ordinary shares represented by 11,764 ADSs purchased by Mr. Alleva during the IPO; and (iii) 47,280 ordinary shares represented by 7,880 ADS purchased by the Lawrence M. Alleva Revocable Trust in December 2018.
- (13) Consists of options held by Ms. Duncan to purchase 540,737 ordinary shares that are or will be exercisable within 60 days of March 1, 2019.
- (14) Consists of options held by Mr. Kerr to purchase 369,000 ordinary shares that are or will be exercisable within 60 days of March 1, 2019.
- (15) Consists of options held by Dr. Zaks to purchase 369,000 ordinary shares that are or will be exercisable within 60 days of March 1, 2019.
- (16) Mr. Furey was appointed as a Board member effective July 5, 2018. He holds options to purchase 284,233 ordinary shares of which 71,058 will be exercisable on July 5, 2019.

Table of Contents

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

All of our directors, executive officers and any greater than 10 percent shareholders are required by Section 16(a) of the Exchange Act to file with the SEC initial reports of ownership and reports of changes in ownership of shares and to furnish us with copies of such reports. Based on a review of those reports and written representations that no other reports were required, we believe that our Section 16 directors and officers complied with all of their applicable Section 16(a) filing requirements.

Table of Contents

**TRANSACTIONS WITH RELATED PERSONS**

**Certain Relationships and Related Party Transactions**

***Related Person Transactions***

Other than the compensation arrangements described below under the sections "Director Remuneration" and "Executive Compensation Discussion and Analysis", in the period from January 1, 2018 through the date of this proxy statement, we were not a party to any transactions between us and certain "related persons", which are generally considered to be our executive officers, directors, director nominees or 5% shareholders, or their immediate family members.

***Related Person Transactions Policy***

We have adopted a policy with respect to the review, approval and ratification of related party transactions. Under the policy, our Audit Committee will be responsible for reviewing and approving related person transactions. In the course of its review and approval of related person transactions, our Audit Committee will consider the relevant facts and circumstances to decide whether to approve such transactions. In particular, our policy will require our Audit Committee to consider, among other factors it deems appropriate:

the related person's relationship to us and interest in the transaction;

the interests, direct or indirect, of any related person in the transaction in sufficient detail so as to enable the Audit Committee to assess such interests;

the material facts of the proposed related-person transaction, including the proposed aggregate value of such transaction, or, in the case of indebtedness, that amount of principal that would be involved;

the benefits to us of the proposed transaction;

an assessment of whether the proposed transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally; and

management's recommendation with respect to the proposed related-person transaction.

The Audit Committee may only approve those transactions that are in, or are not inconsistent with, our best interests and those of our shareholders, as the Audit Committee determines in good faith. If Audit Committee review and approval would be inappropriate, the relevant related party transaction will be referred to another independent body of our Board for review, consideration, approval or ratification.

For purposes of the policy we refer to transactions in which (a) we were a participant, (b) the amount involved exceeded \$120,000 and (c) one or more of our executive officers, directors, director nominees or 5% shareholders, or their immediate family members (each of whom we refer to as a "related person") had a direct or indirect material interest as "related person transactions."

***Investors Rights Agreement***

We are party to an investors rights agreement entered into on February 23, 2015, with certain of our shareholders, including New Enterprise Associates 14, L.P., NEA Ventures 2014, L.P., OrbiMed Private Investments V, L.P. and Sigal Family Investments, LLC pursuant to which certain of our shareholders, including certain holders with beneficial ownership of five percent or more of our ordinary shares and entities affiliated with certain of our directors, have the right to demand that we file a registration statement for their ordinary shares or request that their ordinary shares be covered by a registration statement that we are otherwise filing.



Table of Contents**DIRECTOR REMUNERATION**

Under our Directors' Remuneration Policy, the Board has the discretion to pay our Non-Executive Directors for their Board and committee service in the form of cash fees or stock options or a mixture of cash fees and stock options. Our remuneration arrangements for Non-Executive Directors during 2018 comprised an award of a fixed number of stock options, plus an additional number of stock options or cash payment at the director's election. The option awards and cash payments were made at competitive levels of peer group data from comparable companies provided in a competitive benchmarking analysis undertaken by Willis Towers Watson in 2018 and are compliant with the Directors' Remuneration policy approved by our shareholders at our Annual General Meeting on June 20, 2018.

Under our Directors' Remuneration Policy in effect in 2018, our Non-Executive Directors earned the following annual cash compensation or made an election to receive such compensation in the form of an additional number of stock options.

	<b>2018 Cash Compensation</b>
Board of Directors	\$ 40,000
Chairman (additional retainer)	\$ 27,500
Audit Committee Chair (additional retainer)	\$ 20,000
Remuneration Committee Chair (additional retainer)	\$ 15,000
Corporate Governance and Nominating Committee Chair (additional retainer)	\$ 10,000
Audit Committee member/non-Chair (additional retainer)	\$ 10,000
Remuneration Committee member/non-Chair (additional retainer)	\$ 7,500
Corporate Governance and Nominating Committee member/non-Chair (additional retainer)	\$ 5,000

All cash payments are payable monthly in arrears at the end of each month during which such individual served as a director (with prorated payments for service during a portion of such month). The cash compensation is targeted at the 50<sup>th</sup> percentile of peer group data. Our Non-Executive Directors are also entitled to receive reimbursement of expenses incurred in the course of performing services to the Company.

Our Non-Executive Directors do not receive any pension from the Company nor do they participate in any performance-related incentive plans. Our Non-Executive Directors participate in the Group's long-term incentive plans on terms similar to those used for our executive directors and officers.

On joining the Board, our Non-Executive Directors are eligible to receive an initial award of stock options covering up to 288,000 of our ordinary shares and, at their election, either cash compensation, as set forth above, or additional options of equivalent value. All such options vest over three years with the first 25% vesting on the first anniversary of the date of grant. Subsequently, all Non-Executive Directors are eligible to receive an annual award of stock options covering up to 144,000 of our ordinary shares and, at their election, either cash compensation, as set forth above, or additional options of equivalent value. All options awarded annually are exercisable on the first anniversary of the date of grant. These long-term equity incentive awards are targeted at the 50<sup>th</sup> percentile of peer group data.

During 2018, all Non-Executive Directors were granted an annual award of stock options, with the exception of John Furey, who was awarded stock options on joining the Board of Directors and the Remuneration Committee effective July 5, 2018, and Dr. Peter Thompson who stood down from the Board of Directors effective July 5, 2018.

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

In determining option awards, our Board of Directors works within benchmarking guidelines provided by compensation consultants and seeks recommendations from our Remuneration Committee. All options are granted with an exercise price that is no lower than the fair market value of an ordinary share on the date prior to the date of grant.

### **2018 Director Compensation Table**

The table below shows the compensation paid to our Non-Executive Directors during the year ended December 31, 2018. The compensation paid to James Noble, our Chief Executive Officer and an executive director, is set forth in "Executive Compensation Discussion and Analysis" below.

Name	Fees Earned or paid in cash\$(1)	Option awards\$(2)	Total (\$)
David M. Mott(3)		225,486	225,486
Lawrence Alleva(4)	30,000	149,257	179,257
Ali Behbahani(5)		186,341	186,341
Barbara Duncan(6)		190,463	190,463
John Furey (7)		309,788	309,788
Giles Kerr(8)	50,523	149,257	199,780
Elliott Sigal(9)		186,341	186,341
Peter Thompson(10)			
Tal Zaks(11)	43,750	149,257	193,007

- (1) The fees paid to Mr. Kerr were denominated in pounds sterling. For purposes of this table, the 2018 amount paid to Mr. Kerr has been converted based on the pound sterling/U.S. dollar exchange rate in effect as of December 31, 2018 (£1/\$1.27602).
- (2) Amounts reflect the aggregate grant date fair value of share options granted during 2018 and computed in accordance with ASC Topic 718. The assumptions used in the valuation of these awards are set forth in Note 2 (r), Note 2 (x) and Note 11 to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2018.
- (3) Mr. Mott received an option award covering 187,330 ordinary shares on June 22, 2018.
- (4) Mr. Alleva received an option award covering 124,000 ordinary shares on June 22, 2018.
- (5) Dr. Behbahani received an option award covering 154,809 ordinary shares on June 22, 2018.
- (6) Ms. Duncan received an option award covering 158,233 ordinary shares on June 22, 2018.
- (7) Mr. Furey received an option award covering 284,233 ordinary shares on July 5, 2018.
- (8) Mr. Kerr received an option award covering 124,000 ordinary shares on June 22, 2018.
- (9) Dr. Sigal received an option award covering 154,809 ordinary shares on June 22, 2018.
- (10) Dr. Thompson stood down from the Board on July 5, 2018 and did not receive an annual award of options in 2018. In recognition of Dr. Thompson's service as a Board member and as a member of the Remuneration Committee up to July 5, 2018, he was permitted a 12 month period in which to exercise those options which had vested as at July 5, 2018. Any options that are not exercised by July 5, 2019 will lapse and cease to be exercisable.



(11)

Dr. Zaks received an option award covering 124,000 ordinary shares on June 22, 2018.

Table of Contents

***Deeds of Indemnification***

We do not have any third party indemnification provisions in place for the benefit of one or more of our directors. However, we agree to use all reasonable endeavors to provide and maintain appropriate directors' and officers' liability insurance (including ensuring that premiums are properly paid) for their benefit for so long as any claims may lawfully be brought against them.

***Non-Executive Director Appointment Letters***

We have entered into letters of appointment with each of our Non-Executive Directors. These letters set forth the main terms on which each of our Non-Executive Directors serve on our Board of Directors. Continued appointment under the letter is contingent on continued satisfactory performance as a member of the Board of Directors and as a member of a committee, if applicable, as well as being re-elected at the annual general meetings in accordance with our Articles of Association. The appointment may be terminated by the Company or the Non-Executive Director with three months' prior written notice. Upon termination, the Non-Executive Director is entitled to a pro-rata amount of the annual fee (if applicable) that is outstanding and payable up to the date of termination, and reimbursement in the normal way of any expenses properly incurred before that date.

Table of Contents**EXECUTIVE OFFICERS OF THE COMPANY**

Below is a list of our executive officers and their ages as of the date of this proxy statement. There are no family relationships between any of our executive officers, and there is no arrangement or understanding between any executive officer and any other person pursuant to which the executive officer was selected.

<b>Name</b>	<b>Age</b>	<b>Position</b>
James Noble	59	Chief Executive Officer and Director
Adrian Rawcliffe	47	Chief Financial Officer
Rafael Amado, M.D.	55	President, Research & Development
Helen Tayton-Martin, Ph.D	52	Chief Business Officer
William Bertrand	54	Chief Operating Officer

*James Noble.* For biographical information regarding Mr. Noble, please refer to "Proposal 3 Re-Election of James Noble to the Board of Directors".

*Adrian Rawcliffe.* Mr. Rawcliffe has served as our Chief Financial Officer since March 2015 and leads our financial strategy and operations, as well as investor relations, corporate communications, manufacturing and supply chain, product development and global IT and facilities. He has 21 years of experience within the biopharmaceutical industry and most recently served as Senior Vice President, Finance of GSK's North American Pharmaceuticals business. Mr. Rawcliffe currently serves as a non-executive director of WAVE Life Sciences (NASDAQ: WVE). Mr. Rawcliffe joined GSK in 1998 and his other senior roles at the company included Senior Vice President Worldwide Business Development and R&D Finance, where he was responsible for all business development and finance activities for GSK's Pharmaceuticals R&D business and Managing Partner and President of SR One Ltd, GSK's venture-capital business. Mr. Rawcliffe qualified as a chartered accountant with PwC and holds a B.Sc. degree in Natural Sciences from the University of Durham, U.K.

*Rafael Amado, M.D.* Dr. Amado has served as our President, Research & Development since August 2018. In this role, he brings together our clinical and research teams under a single leadership, allowing better alignment and integration of all parts of R&D, from target identification and selection, to regulatory filings. Before assuming the President role, Dr. Amado served as our Chief Medical Officer since March 2015. He has over 15 years of experience within the biotech and pharmaceutical industries. Dr. Amado formerly served as Senior Vice President and Head of Oncology R&D at GSK, where he was responsible for integrating oncology R&D activities, from drug target identification to clinical development and registration globally. He oversaw the development and registration globally of over 15 novel indications across six products and led the development of a pipeline of products with companion diagnostics in novel areas of cancer biology. Prior to joining GSK, Dr. Amado was Executive Director of Therapeutic Oncology at Amgen where he was responsible for development activities of several assets, including the development of products in molecularly characterized tumors. Dr. Amado trained as a Hematologist/Oncologist at the University of California, Los Angeles, where he remained as faculty until joining Amgen. He holds an M.D. from the University of Seville School of Medicine, and performed his residency in Internal Medicine at Michael Reese Hospital, a University of Chicago Affiliated Hospital, and his fellowship in Hematology/Oncology at the University of California, Los Angeles.

*Helen Tayton-Martin, Ph.D.* Dr. Tayton-Martin has served as our Chief Business Officer since March 2017, having formerly served as our Chief Operating Officer since 2008, a role in which she oversaw the transition of all operations in the company from five to 300 staff, through transatlantic growth, multiple clinical, academic and commercial collaborations and private and public financing through to its NNASDAQ IPO. As our CBO, Dr. Tayton-Martin is responsible for optimizing the strategic and commercial opportunity for Adaptimmune's assets, leading on business development and

Table of Contents

commercial activities. Her role encompasses all aspects of pipeline and technology assessment, strategic portfolio analysis, integrated program management and commercial planning and partnerships, including the company's strategic partnership with GlaxoSmithKline (LSE/NYSE: GSK) ("GSK"). Dr. Tayton-Martin has over 26 years of experience working within the pharma, biotech and consulting environment in disciplines across preclinical and clinical development, outsourcing, strategic planning, due diligence and business development. She co-founded Adaptimmune from the former company, Avidex Limited, where she had been responsible for commercial development of the soluble TCR program in cancer and HIV from 2005 to 2008. Dr. Tayton-Martin also serves as a non-executive director of Trillium Therapeutics Inc. (NASDAQ and TSX: TRIL). She holds a Ph.D. in molecular immunology from the University of Bristol, U.K. and an M.B.A. from London Business School.

*William Bertrand.* Mr. Bertrand has served as our Chief Operating Officer since March 2017 and is responsible for a range of operational functions including compliance, risk management, human resources, quality and legal/IP. Mr. Bertrand's prior experience includes a 12 year tenure at MedImmune, where he served as its first General Counsel and Chief Compliance Officer, along with holding a variety of operational and corporate strategy roles. He has also formerly served as Executive Vice President, General Counsel for Infinity Pharmaceuticals, Inc., and as Senior Vice President, Acting Chief Operating Officer and General Counsel for Salix Pharmaceuticals, where he remained as General Manager to help finalize the integration of the company's \$14 billion acquisition by Valeant Pharmaceuticals in April 2015. He is currently a member of the board of directors of Ardelyx, Inc. (NASDAQ: ARDX) and has served as a member of the board of directors of several private companies including Trustwave and Inotek Pharmaceuticals. Mr. Bertrand received a J.D. from the University of Wisconsin and a B.S. in biology from Wayne State University.

Table of Contents

**EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS**

***Overview***

This Compensation Discussion and Analysis ("CD&A") discusses the compensation philosophy, policies and principles underlying our executive compensation decisions for 2018. This section discusses the material components of the executive compensation program offered to our named executive officers, or NEOs, who for the year ended December 31, 2018, were:

James Noble, Chief Executive Officer;

Adrian Rawcliffe, Chief Financial Officer;

Rafael Amado, President, Research & Development;

Helen Tayton-Martin, Chief Business Officer; and

William Bertrand, Chief Operating Officer.

***Executive Summary***

***2018 Business Highlights***

2018 was a year of strong operational performance for Adaptimmune. Key business highlights during 2018 included:

***Advancement of our clinical trials for ADP-A2M10, ADP-A2M4 and ADP-A2AFP***

We have three SPEAR T-cells in clinical trials, ADP-A2M10 (MAGE-A10), ADP-A2M4 (MAGE-A4) and ADP-A2AFP (AFP).

Two Phase 1 clinical trials are ongoing with ADP-A2M10. The first clinical trial is in patients with non-small cell lung cancer ("NSCLC"). The second clinical trial is in patients with three cancer tumor types, urothelial, melanoma and head and neck cancers.

In 2018, both trials have progressed to the expansion phase, with patients being treated with up to 10 billion transduced SPEAR T-cells.

A Phase 1 clinical trial is ongoing with ADP-A2M4 in bladder, melanoma, head and neck, ovarian, NSCLC, synovial sarcoma, myxoid round cell liposarcoma ("MRCLS"), esophageal and gastric cancers.

In 2018, this trial progressed to the expansion phase with patients being treated with up to 10 billion transduced SPEAR T-cells.

A Phase 1 clinical trial is ongoing with ADP-A2AFP in patients with hepatocellular cancer.

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

In 2018, this trial moved into the dose escalation phase within the second dose cohort, with patients in Cohort 2 receiving target doses of 1 billion SPEAR T-cells.

### *Successful transition of NY-ESO program*

During 2018, a fourth SPEAR T-cell, the NY-ESO SPEAR T-cell was transitioned to GlaxoSmithKline ("GSK") following GSK's exercise of its option to obtain an exclusive global license to the NY-ESO SPEAR T-cell program in September 2017. GSK has assumed full responsibility for all development, manufacturing and commercialization activities for the NY-ESO SPEAR T-cell including progression of this SPEAR T-cell into further clinical trials.

Table of Contents

*Optimization and expansion of our manufacturing capabilities*

Impressive progress was achieved in manufacturing:

we initiated manufacture of cell product in January 2018 at the Adaptimmune SPEAR T-cell manufacturing plant in Philadelphia

we scaled to the routine manufacture of SPEAR T-cells at target doses to treat patients across a broad range of solid tumors

we established a dedicated vector manufacturing capability in the U.K. and our first vector production run to support pilot clinical trials is anticipated for late 2019

we secured existing vector production with our third party vendor

These achievements enable us to continue to develop manufacturing enhancements and improvements with the aim of reducing the time taken to manufacture and supply patient products.

*Progression of our pre-clinical pipeline*

We continued to maintain development of our pipeline, including:

making good progress with an off-the-shelf product and presenting progress to date at ASGCT 2018

continuing to develop multiple next generation approaches, with the goal of having the first next generation construct ready for IND submission in 2H 2019

investigating new targets and additional HLAs to be brought to the clinic beyond 2019

*Other corporate achievements*

The Company completed a Registered Direct Offering raising net proceeds of approximately \$100 million in September 2018

*2018 Executive Compensation Highlights*

The following key compensation actions were taken with respect to our NEOs for 2018:

Base Salaries the 2018 base salaries for our NEOs were determined, and were effective from January 1, 2018. A summary of the 2018 base salaries for our NEOs, together with the percent increase compared to their 2017 base salaries, is set forth in the table below.

Name	2017 Annual Base Salary	2018 Annual Base Salary	% Increase
------	----------------------------	----------------------------	------------

Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

	(\$)	(\$)	
James Noble(1)	520,399	536,011	3%
Adrian Rawcliffe	443,700	457,011	3%
Rafael Amado(2)	442,900	458,402	3.5%
Helen Tayton-Martin(1)	364,279	382,566	5%
William Bertrand	400,000	416,000	4%

---

(1)

Compensation paid to Mr. Noble and Dr. Tayton-Martin is denominated in pounds sterling. For purposes of this table, 2017 and 2018 amounts for Mr. Noble and Dr. Tayton-Martin in the table above have been converted based on the pound sterling/U.S. dollar exchange rate in effect as of December 31, 2018 (£1/\$1.27602).



Table of Contents

- (2) The 2018 annual base salary for Dr. Amado was increased to \$481,322 effective August 1, 2018 on his promotion to the new role of President, Research & Development.

Annual Cash Bonuses Our NEOs received annual cash bonuses at 85% of their target annual cash bonus opportunities.

Long-Term Incentive Compensation Our NEOs were granted long-term incentive compensation opportunities in January 2018 in the form of stock options to purchase ordinary shares, in amounts ranging from 789,024 options to 1,052,028 options, with grant date fair values ranging from \$685,114 to \$913,480, including options covering 2,104,056 ordinary shares granted to our CEO, with a grant date fair value of \$1,826,960. In August 2018, Dr. Amado was promoted to the new role of President, Research and Development, bringing together our clinical and research teams under a single leadership, and was granted an option covering 678,720 ordinary shares with a grant date fair value of \$977,579.

**Compensation Philosophy and Program Design**

Our philosophy in setting compensation policies for executive officers has two objectives: (1) to attract and retain a highly skilled team of executives and (2) to align our executives' interests with those of our shareholders by rewarding short-term and long-term performance. Our Remuneration Committee believes that executive compensation should be directly linked both to continuous improvements in corporate performance ("pay for performance") and accomplishments that are expected to increase shareholder value.

In furtherance of this goal, our Remuneration Committee has adhered to the following guidelines as a foundation for decisions that affect the levels of compensation:

provide a competitive total compensation package that enables the Company to attract and retain highly qualified executives with the skills and experience required for the achievement of business goals;

align compensation elements with the Company's annual goals and long-term business strategies and objectives;

promote the achievement of key strategic and financial performance measures by linking short-term and long-term cash and equity incentives to the achievement of corporate and individual performance goals; and

align executives' incentives with the creation of shareholder value.

Based on this philosophy, our performance-driven executive compensation program has three primary components: base salary, annual cash bonuses, and long-term equity-based compensation. Our Remuneration Committee believes that cash compensation in the form of base salary and annual bonuses provides our executives with short-term rewards for success in operations, and that long-term compensation through the grant of equity awards aligns the objectives of management with those of our shareholders with respect to long-term performance and success.

While it does not have any formal policies for allocating compensation among the three components, our Remuneration Committee reviews relevant competitive market data and uses its judgment to determine the appropriate level and mix of compensation on an annual basis to ensure that compensation levels and opportunities are competitive and that we are able to attract and retain capable executive officers to work for our long-term prosperity and shareholder value, without taking unnecessary or excessive risks.

Table of Contents

*Pay-for-Performance*

We view our compensation practices as an avenue to communicate our goals and standards of conduct and a means to reward our NEOs for their achievements. We believe our executive compensation program is reasonable, competitive, and appropriately balances the goals of attracting, motivating, rewarding, and retaining our executive officers and that it therefore promotes stability in our leadership.

To ensure our NEOs' interests are aligned with those of our shareholders and to motivate and reward them for achievement of our yearly corporate performance objectives, a significant portion of their target annual total direct compensation opportunity is "at-risk" and will vary above or below target levels commensurate with our performance.

We emphasize performance-based compensation that appropriately rewards our executive officers for delivering financial, operational, and strategic results that meet or exceed pre-established goals through our annual cash bonus plan, as well as share options that make up a significant portion of our long-term incentive compensation arrangements.

The target total direct compensation opportunity for our CEO and our other Named Executive Officers during 2018 reflects this philosophy. The substantial majority of our 2018 compensation to our NEOs was in the form of equity incentive awards, which our Remuneration Committee believes aligns our NEOs' interests with those of our shareholders.

The following charts illustrate the portion of compensation attributable to base salary, annual performance-based cash incentive awards (annual bonus) and long-term equity incentive awards for our Chief Executive Officer, and the average for our other NEOs, as a group, for the year ended December 31, 2018.

*CEO 2018 Compensation Mix*

Table of Contents

*Other Named Executive Officers 2018 Average Compensation Mix*

**2018 Executive Compensation Policies and Practices**

We endeavor to maintain sound executive compensation policies and practices, including compensation-related corporate governance standards, consistent with our executive compensation philosophy. During 2018 our executive compensation policies and practices included the following:

*Remuneration Committee of Independent Directors.* Our Remuneration Committee is composed of all independent directors.

*Annual Compensation Review.* Our Remuneration Committee undertakes a comprehensive review of compensation of our executives, including our NEOs, on an annual basis.

*Independent Compensation Consultant.* Our Remuneration Committee engages its own compensation consultant, and reviews its independence from management. The Remuneration Committee engaged Willis Towers Watson to assist with its 2018 compensation reviews.

*Risk Analysis.* We believe the structure of our executive compensation program minimizes the likelihood of inappropriate risk-taking by our executive officers.

*Compensation At-Risk.* Our executive compensation program is designed so that a significant portion of compensation is "at risk" based on Company performance, as well as short-term cash and long-term equity incentives to align the interests of our executive officers and shareholders. None of our employment agreements with our NEOs provides any guarantees relating to base salary increases or the amounts of any annual incentive awards or long-term equity awards.

*No Special Retirement Benefits.* We do not provide special pension arrangements or post-retirement health coverage for our executives or employees. Our U.S.-based executives and other U.S.-based employees are eligible to participate in our Section 401(k) plan, which is a retirement savings defined contribution plan established in accordance with Section 401(a) of the Code. Our U.K.-based executives and other U.K.-based employees are eligible to participate in our U.K. defined contribution plan.

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

*Policy Against Hedging, Speculative Trading and Pledging our Stock.* Our insider trading policy prohibits our employees, including our NEOs, and our directors from engaging in "hedging" or other inherently speculative transactions with respect to our securities or borrowing against our securities.

*No Special Perquisites.* Consistent with other high growth, development-stage biotechnology companies, we generally do not provide perquisites or other personal benefits to our executive

Table of Contents

officers other than those we provide to our employees generally. From time to time we have provided relocation assistance benefits to our executive officers and other employees in order to attract talent.

*No Special Health or Welfare Benefits.* Our executive officers participate in broad-based company-sponsored health and welfare benefits programs on the same basis as our other employees.

**Process for Setting Executive Compensation**

***Role of the Remuneration Committee***

Our Remuneration Committee is responsible for reviewing and establishing our executive compensation policy and determines the framework for the compensation of our Company's senior executive officers. Our Remuneration Committee determines the remuneration of our NEOs (except for our CEO) and makes recommendations regarding the compensation of our CEO to the Board for its determination. Our Remuneration Committee also determines the corporate performance goals under the Company's annual bonus plan and achievement of these goals, and determines the policy for and scope of service agreements for the executive officers and contractual severance payments. Our Remuneration Committee makes recommendations regarding these matters in respect of our CEO to our Board for its determination.

While our Remuneration Committee draws on a number of resources, including input from our CEO and independent compensation consultants, to make decisions regarding the Company's executive compensation program, ultimate decision-making authority rests with the Remuneration Committee, subject in relation to our CEO's compensation, to approval by the independent members of the Board. The Remuneration Committee relies upon the judgment of its members in making compensation decisions, after reviewing the performance of the Company and evaluating an executive's performance during the year against established goals, operational performance and responsibilities. In addition, the Remuneration Committee incorporates judgment in the assessment process to respond to and adjust for the evolving business environment.

***Role of Chief Executive Officer***

Our Remuneration Committee solicits and reviews our CEO's recommendations and proposals with respect to to annual cash bonus opportunities, long-term incentive compensation opportunities, program structures and other compensation-related matters for our executive officers (other than with respect to his own compensation). Our Remuneration Committee reviews and discusses these recommendations and proposals with our CEO and uses them as one factor in determining and approving the compensation for our executive officers (other than our CEO). Our Remuneration Committee works directly with its compensation consultants to determine compensation actions our CEO, who does not participate in deliberations or determination of his own compensation.

***Role of Compensation Consultant***

Our Remuneration Committee is authorized to engage a compensation consultant or other advisors to review our executive officers' compensation, including a benchmarking analysis against the compensation of executive officers at comparable companies, to ensure that our compensation is market competitive, with the goal of retaining and adequately motivating our senior management. During 2017, our Remuneration Committee retained Willis Towers Watson to make recommendations for updating our compensation peer group, and to review and make recommendations regarding our executive and director compensation for 2018.

Table of Contents

Our Remuneration Committee regularly evaluates the performance of its compensation consultants, considers alternative compensation consultants, and has the final authority to engage and terminate such services. The Remuneration Committee has assessed the independence of Willis Towers Watson pursuant to SEC rules and the applicable listing standards of The Nasdaq Global Market and concluded that no conflict of interest exists that would prevent Willis Towers Watson from serving as an independent consultant to our Remuneration Committee.

During 2018, Willis Towers Watson regularly attended the meetings of our Remuneration Committee (both with and without management present) and provided the following services:

consulting with the Remuneration Committee chair and other members between committee meetings;

conducting a review of the 2017 compensation comparator peer group and making recommendations, as appropriate, for changes for use when making 2018 compensation decisions;

providing competitive market data based on the compensation peer group for our executive officer positions and evaluating how the compensation we pay our executive officers compares both to our performance and to how the companies in our compensation peer group compensate their executives;

reviewing and analyzing the base salary levels, annual cash bonus opportunities, and long-term incentive compensation opportunities of our executive officers;

assessing executive compensation trends within our industry, and updating on corporate governance and regulatory issues and developments;

reviewing market equity compensation practices, including burn rate and overhang, and advising on the mix of equity award types; and

providing competitive market data based on the compensation peer group for the non-employee members of our Board and evaluating the compensation we pay to our non-employee directors.

***Competitive Positioning***

Our Remuneration Committee reviews the compensation of similarly-situated executive officers at companies that we consider to be our peers, taking into consideration the experience, position and functional role, level of responsibility and uniqueness of applicable skills of both our executive officers and those of our peers, and the demand and competitiveness for attracting and retaining an individual with each executive officer's specific expertise and experience. While this analysis is helpful in determining market-competitive compensation for senior management, it is only one factor in determining our executive officers' compensation, and our Remuneration Committee exercises its judgment in determining the nature and extent of its use.

For purposes of comparing our executive compensation against the competitive market, our Remuneration Committee reviews and considers the compensation levels and practices of a group of comparable biotechnology companies. The companies in this compensation peer group for 2018 were selected by our Remuneration Committee in October 2017, in consultation with Willis Towers Watson, on the basis of their similarity to us in terms of size, market capitalization, stage of development, research and development spend, industry sector, business strategy, and number of employees.

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

Set forth in the following table is a list of the peer group used for 2017 as compared to the peer group used for 2018:

2017	2018
Acceleron Pharma Inc.	Acceleron Pharma Inc.
Aduro BioTech, Inc.	Aduro BioTech, Inc.
Agenus Inc.	Alder Biopharmaceuticals, Inc.
Alder Biopharmaceuticals, Inc.	Atara Biotherapeutics, Inc
Atara Biotherapeutics, Inc	bluebird bio, Inc.
Bellicum Pharmaceuticals, Inc.	Cytokinetics, Incorporated
bluebird bio, Inc.	Dynavax Technologies Corp.
Circassia Pharmaceuticals Plc	Epizyme, Inc.
Cytokinetics, Incorporated	Five Prime Therapeutics, Inc.
Epizyme, Inc.	GW Pharmaceuticals plc
GW Pharmaceuticals plc	ImmunoGen, Inc
ImmunoGen, Inc.	Intellia Therapeutics, Inc.
Inovio Pharmaceuticals, Inc.	Inovio Pharmaceuticals, Inc.
Juno Therapeutics, Inc.	MacroGenics, Inc.
Kite Pharma, Inc.	Oxford BioMedica plc
MacroGenics, Inc.	Rigel Pharmaceuticals, Inc.
Sangamo Therapeutics, Inc.	Spark Therapeutics, Inc.
Spark Therapeutics, Inc.	Xencor, Inc.

To analyze the compensation practices of the companies in our compensation peer group, Willis Towers Watson gathered data from public filings (primarily proxy statements) and from the Radford Global Life Sciences Survey (including a custom cut). This market data was then used as a reference point for our Remuneration Committee to assess our current compensation levels in the course of its deliberations on forms and amounts of compensation. Given our objective of attracting, retaining, motivating, and rewarding a highly-skilled team of executive officers and other employees, we aim to deliver a total compensation package that is within a competitive range around the median as compared to peers, with an emphasis on equity incentive compensation so as to more effectively tie our NEOs' and employees' interests to those of our shareholders. In light of this, when undertaking its competitive analysis, our Remuneration Committee reviews data pertaining to the 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> percentiles for base salary, total cash compensation (base salary plus annual bonus) and long-term incentive compensation. This competitive analysis is one factor, among others, taken into account by our Remuneration Committee in assessing current compensation levels and recommending changes to compensation or additional awards.

Our Remuneration Committee reviews our compensation peer group at least annually and makes adjustments to its composition, taking into account changes in both our business and the businesses of the companies in the peer group.

### **Executive Compensation Program and Compensation Decisions for the Named Executive Officers**

The components of our executive compensation program in 2018 for our NEOs consisted of base salary, an annual cash bonus opportunity, and a long-term incentive compensation opportunity delivered in the form of options to purchase ordinary shares (including RSU-style options).

Table of Contents

*Annual Base Salary*

*Overview*

The base salaries of our executive officers are designed to compensate them for day-to-day services rendered during the fiscal year. Appropriate base salaries are used to recognize the experience, skills, role and responsibilities required of each executive officer and to allow us to attract and retain individuals capable of leading us to achieve our business goals in competitive market conditions.

The initial base salaries of our executive officers are established through arm's-length negotiation at the time we hire the individual executive officer, taking into account his or her position, qualifications, experience, prior salary level, and the base salaries of our other executive officers.

Thereafter, the base salaries of our executive officers are reviewed at least annually by our Remuneration Committee, and by our Board in the case of our CEO, and adjustments are made to reflect Company and individual performance, as well as competitive market practices. Our Remuneration Committee also takes into account subjective performance criteria, such as an executive officer's ability to lead, organize and motivate others, set realistic goals to be achieved in his or her respective area, and recognize and pursue new business opportunities that enhance our growth and success. Our Remuneration Committee does not apply specific formulas to determine increases, but instead makes an evaluation of each executive officer's contribution to our long-term success. Annual adjustments to base salaries are effective as of January 1 of each year, with off-cycle adjustments to base salaries made under special circumstances, such as promotions or increased responsibilities.

*Changes in base salaries for fiscal year 2018*

In December 2017, our Remuneration Committee reviewed the base salaries of our NEOs, taking into consideration a competitive market analysis prepared by Willis Towers Watson, the recommendations of our CEO (except with regard to his own base salary), and the other factors described above.

Following this review, our Remuneration Committee determined increases in the annual base salaries of our NEOs, other than our CEO, with all revised annual base salaries effective from January 1, 2018. A 3% increase in the base salary of Mr. Rawcliffe was approved, resulting in a revised base salary of \$457,011. A 3.5% increase in the base salary of Dr. Amado was approved, resulting in a revised base salary of \$458,402. A 4% increase in the base salary of Mr. Bertrand was approved, resulting in a revised base salary of \$416,000. A 5% increase in the base salary of Dr. Tayton-Martin was approved, resulting in a revised base salary of \$382,566. Effective from August 1, 2018, Dr. Amado was promoted to the new role of President, Research and Development, bringing together our clinical and research teams under a single leadership, and our Remuneration Committee approved an increase in Dr. Amado's base salary from \$458,402 to \$481,322 effective from August 1, 2018.

With regard to our CEO, our Remuneration Committee recommended, and the Board approved, a 3% increase to Mr. Noble's base salary, resulting in a revised base salary of \$536,011 effective from January 1, 2018.



## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

A summary of the 2018 base salaries for our NEOs, together with the percent increase compared to their 2017 base salaries, is set forth in the table below.

Name	2017 Annual Base Salary (\$)	2018 Annual Base Salary (\$)	% Increase
James Noble(1)	520,399	536,011	3%
Adrian Rawcliffe	443,700	457,011	3%
Rafael Amado(2)	442,900	458,402	3.5%
Helen Tayton-Martin(1)	364,279	382,566	5%
William Bertrand	400,000	416,000	4%

(1) Compensation paid to Mr. Noble and Dr. Tayton-Martin is denominated in pounds sterling. For purposes of this table, 2017 and 2018 amounts for Mr. Noble and Dr. Tayton-Martin in the table above have been converted based on the pound sterling/U.S. dollar exchange rate in effect as of December 31, 2018 (£1/\$1.27602).

(2) The 2018 annual base salary for Dr. Amado was increased to \$481,322 effective August 1, 2018 on his promotion to the new role of President, Research & Development.

### *Annual Cash Bonus Plan*

Our NEOs are eligible to earn annual performance-based cash bonuses, which are designed to provide appropriate incentives to our executive officers to achieve annual corporate goals and to reward them for individual performance towards these goals. The annual performance-based bonus each NEO is eligible to receive is generally based on the extent to which we achieve the corporate objectives that the Board establishes each year, following a recommendation from our Remuneration Committee.

Our Remuneration Committee determines annual bonuses for our NEOs, and the Board determines the annual bonus for our CEO. At the end of the year, the Board and our Remuneration Committee review our performance and approve the extent to which we achieved each of these corporate goals. Generally, the Board and Remuneration Committee will assess each NEO's individual contributions towards reaching our annual corporate goals but does not typically establish specific individual goals for our NEOs. Our Remuneration Committee and our Board may award above-target bonuses, in amounts up to 150% of the target annual cash bonus opportunities for extraordinary performance in any given year.

The target annual cash bonus opportunities of our NEOs for 2018 are summarized in the table below. All target annual cash bonus opportunities were set as a percentage of base salaries.

Name	2018 Target Annual Cash Bonus Opportunity %	2018 Target Annual Cash Bonus Opportunity (\$)
James Noble(1)	55%	294,806
Adrian Rawcliffe	45%	205,655
Rafael Amado(2)	50%	233,976
Helen Tayton-Martin(1)	45%	172,155
William Bertrand(3)	45%	187,200

(1) Compensation paid to Mr. Noble and Dr. Tayton-Martin is denominated in pounds sterling. For purposes of this table, amounts for Mr. Noble and Dr. Tayton-Martin in the

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

table above have been converted based on the pound sterling/U.S. dollar exchange rate in effect as of December 31, 2018 (£1/\$1.27602).

(2)

The 2018 Target Annual Cash Bonus Opportunity percent for Dr. Amado was increased from 45% to 50% effective August 1, 2018 on his promotion to the new role of President, Research & Development. The 2018 Target Annual Cash Bonus Opportunity amount represented 50% of Dr. Amado's pro-rated 2018 base salary received of \$467,952 (based on the aggregate of six months of his base salary of \$458,402, from January 1, 2018 through July 31, 2018, and six months of his base salary of \$481,322, from August 1, 2018 through December 31, 2018).

The corporate goals used in our 2018 annual cash bonus plan were proposed by management, and reviewed and approved by our Board following recommendation by our Remuneration Committee.

Our primary goal in 2018 was to progress the development of the Group with our key corporate goals including:

advancement of our clinical trials for ADP-A2M10, ADP-A2M4 and ADP-A2AFP;

continuing to use our SPEAR T-cell platform to generate SPEAR T-cells for cancers where existing therapeutic approaches are limited;

continuing to understand, further enhance and improve the effectiveness and persistence of our SPEAR T-cell therapies; and

the optimisation and expansion of our process development and manufacturing capabilities to maintain our leadership position in the TCR space and the continued expansion of our intellectual property portfolio.

### *2018 annual bonus payments*

In December 2018, our Remuneration Committee and our Board reviewed our 2018 corporate goals and determined that we had achieved most of our corporate goals. We believe that 2018 was a year of strong operational performance for us due, in large part, to our achievement of clinical and manufacturing milestones, as described below:

### *Advancement of our clinical trials for ADP-A2M10, ADP-A2M4 and ADP-A2AFP*

We have three SPEAR T-cells in clinical trials, ADP-A2M10 (MAGE-A10), ADP-A2M4 (MAGE-A4) and ADP-A2AFP (AFP).

Two Phase 1 clinical trials are ongoing with ADP-A2M10. The first clinical trial is in patients with non-small cell lung cancer ("NSCLC"). The second clinical trial is in patients with three cancer tumor types, urothelial, melanoma and head and neck cancers.

In 2018, both trials have progressed to the expansion phase, with patients being treated with up to 10 billion transduced SPEAR T-cells.

A Phase 1 clinical trial is ongoing with ADP-A2M4 in bladder, melanoma, head and neck, ovarian, NSCLC, synovial sarcoma, myxoid round cell liposarcoma ("MRCLS"), esophageal and gastric cancers.

In 2018, this trial progressed to the expansion phase with patients being treated with up to 10 billion transduced SPEAR T-cells.

A Phase 1 clinical trial is ongoing with ADP-A2AFP in patients with hepatocellular cancer.

Table of Contents

In 2018, this trial moved into the dose escalation phase within the second dose cohort, with patients in Cohort 2 receiving target doses of 1 billion SPEAR T-cells.

*Successful transition of NY-ESO program*

During 2018, a fourth SPEAR T-cell, the NY-ESO SPEAR T-cell was transitioned to GlaxoSmithKline ("GSK") following GSK's exercise of its option to obtain an exclusive global license to the NY-ESO SPEAR T-cell program in September 2017. GSK has assumed full responsibility for all development, manufacturing and commercialization activities for the NY-ESO SPEAR T-cell including progression of this SPEAR T-cell into further clinical trials.

*Optimization and expansion of our manufacturing capabilities*

Impressive progress was achieved in manufacturing:

we initiated manufacture of cell product in January 2018 at the Adaptimmune SPEAR T-cell manufacturing plant in Philadelphia

we scaled to the routine manufacture of SPEAR T-cells at target doses to treat patients across a broad range of solid tumors

we established a dedicated vector manufacturing capability in the U.K. and our first vector production run to support pilot clinical trials is anticipated for late 2019

we secured existing vector production with our third party vendor

These achievements enable us to continue to develop manufacturing enhancements and improvements with the aim of reducing the time taken to manufacture and supply patient products.

*Progression of our pre-clinical pipeline*

We continued to maintain development of our pipeline, including:

making good progress with an off-the-shelf product and presenting progress to date at ASGCT 2018

continuing to develop multiple next generation approaches, with the goal of having the first next generation construct ready for IND submission in 2H 2019

investigating new targets and additional HLAs to be brought to the clinic beyond 2019

*Other corporate achievements*

The Company completed a Registered Direct Offering raising net proceeds of approximately \$100 million in September 2018

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

The Remuneration Committee determined an overall corporate performance level of 85% of target for purposes of the 2018 Bonus Plan for our NEOs other than our CEO, and recommended an overall corporate performance level of 85% in respect of our CEO, which was approved by the Board. This resulted in awards at 85% of their target annual cash bonus opportunities for 2018 for our NEOs.

Table of Contents

The 2018 bonus payments are summarized in the table below:

Name	2018 Target Annual Cash Bonus Opportunity (\$)	2018 Actual Annual Cash Bonus Payment (\$)
James Noble(1)	294,806	250,585
Adrian Rawcliffe	205,655	174,807
Rafael Amado(2)	233,976	198,879
Helen Tayton-Martin(1)	172,155	146,331
William Bertrand	187,200	159,120

- (1) Compensation paid to Mr. Noble and Dr. Tayton-Martin is denominated in pounds sterling. For purposes of this table, 2018 amounts for Mr. Noble and Dr. Tayton-Martin in the table above have been converted based on the pound sterling/U.S. dollar exchange rate in effect as of December 31, 2018 (£1/\$1.27602).
- (2) The 2018 Actual Cash Bonus Payment amount for Dr. Amado was a pro-rated amount, based on his pro-rated 2018 base salary received of \$467,952 (based on the aggregate of six months of his base salary of \$458,402, from January 1, 2018 through July 31, 2018, and six months of his base salary of \$481,322, from August 1, 2018 through December 31, 2018).

### ***Long-Term Incentive Compensation***

#### *Overview*

We provide long-term incentive compensation to our executive officers through the grant of equity awards. We believe that equity awards create incentives for our executive officers to assist with the achievement of near and long term corporate objectives to create long-term shareholder value and align their interests with those of our shareholders by creating a return tied to the performance of our stock price. We also believe equity awards create an ownership culture. In addition, the vesting requirements of our equity awards contribute to executive retention by providing an incentive to our executive officers to remain employed by us during the vesting period.

*Equity Award Grant Policy.* We have an equity award grant policy that formalizes our process for granting equity-based awards to officers and employees. Under our equity award grant policy, all grants to our CEO must be approved by our Board, all grants to our other executive officers must be approved by our Remuneration Committee and all grants to other employees must be granted within guidelines approved by our Remuneration Committee.

Generally, equity awards are granted at the time an executive officer commences employment. Thereafter, equity awards may be granted at varying times and in varying amounts in the discretion of our Remuneration Committee or, if awards are being granted to our Chief Executive Officer, in the discretion of the Board, but are generally made once a year unless such executive officer is promoted, or for recognition of outstanding performance. None of our executive officers is currently party to an employment agreement that provides for an automatic grant of stock options or other equity awards.

We trade American Depositary Shares (ADSs) on the Nasdaq Global Select Market, or NASDAQ, and one ADS represents six ordinary shares. Our stock options cover our ordinary shares. The exercise price of our stock options, other than our RSU-style options, is equal to the fair market value of our ordinary shares, which is based on the closing market price on NASDAQ of an ADSs divided by six.

Table of Contents

Historically, we have granted equity awards to our employees, including our NEOs, in the form of options to purchase our ordinary shares. In December 2017, our Remuneration Committee determined that an increasing number of companies in our compensation peer group grant full value awards, such as restricted stock unit awards and approved the addition of RSU-style options (which are substantively similar to restricted stock units) to our compensation program to attract and retain highly qualified executives and employees. In this regard, while both stock options and RSU-style options enable our executive officers to benefit, like shareholders, from any increases in the value of our stock, our stock options deliver future value only if the value of our stock increases above the exercise price. In contrast, RSU-style options are set with an exercise price fixed at the nominal value of an ordinary share so, during periods of stock market volatility, RSU-style options may help retain employees. In addition, full value awards, such as RSU-style options, are less dilutive to existing shareholders since fewer shares are needed to achieve an equivalent value relative to stock options.

Our stock options generally vest as to 25% upon the first anniversary of the grant date and 1/36th of the remaining shares each month thereafter until such award is fully vested on the four year anniversary of the grant date, subject to the holder's continued service with us. Our RSU-style options vest in four annual installments from the grant date, subject to the holder's continued service with us. The terms of the equity awards are governed by our option plans, as described under the heading "*Equity Compensation Plan Information*" below.

In determining the appropriate mix of stock options and RSU-style options, our Remuneration Committee and the Board (in the case of grants to the CEO) consider the current stock and other equity holdings of each executive officer and competitive market data of the types of equity compensation provided to executive officers by the companies in our compensation peer group, with a goal of reaching a mix that would provide the appropriate incentives while staying competitive in our market. Regular LTI awards for each of our NEOs were more heavily weighted towards stock options (75%) than RSU-style options (25%).

As with their other elements of compensation, our Remuneration Committee determines the amount of long-term incentive compensation for our NEOs (except for our CEO), and recommends to the Board the amount of long-term incentive compensation for our CEO, as part of its annual compensation review. Our Remuneration Committee does so after taking into consideration a competitive market analysis prepared by its compensation consultant, the recommendations of our CEO (except with respect to his own long-term incentive compensation), the outstanding equity holdings of each executive officer, the proportion of our total shares outstanding used for annual employee long-term incentive compensation awards (our "burn rate") in relation to the proportions of the companies in our compensation peer group, the potential voting power dilution to our shareholders (our "overhang") in relation to the practices of the companies in our compensation peer group, and the other factors described above.

*2018 Equity Awards*

In January 2018, after considering the factors described above, our Remuneration Committee granted stock options and RSU-style options to our NEOs and our Remuneration Committee

Table of Contents

recommended, and the Board granted, stock options and RSU-style options to our CEO, in the following amounts:

<b>Named Executive Officer</b>	<b>Options for ordinary shares (#)</b>	<b>RSU-Style Options for ordinary shares (#)</b>	<b>Equity Awards (Aggregate Grant Date Fair Value) (\$)</b>
James Noble	1,719,936	384,120	1,826,960
Adrian Rawcliffe	687,984	153,648	730,791
Rafael Amado	859,968	192,060	913,980
Helen Tayton-Martin	687,984	153,648	730,791
William Bertrand	644,976	144,048	685,114

In August 2018, our Remuneration Committee granted RSU-style options covering 678,720 ordinary shares to Rafael Amado, on his promotion to the new role of President, Research & Development, which had a grant date fair value of \$977,579.

***Retirement, Health, Welfare***

Our NEOs are eligible to participate in our employee benefit plans and programs, including medical and dental benefits and life insurance, to the same extent as our other full-time employees, subject to the terms and eligibility requirements of those plans. We also sponsor a 401(k) defined contribution plan in which our NEOs based in the United States may participate, subject to limits imposed by the Internal Revenue Code, to the same extent as all of our other full-time employees. During 2018, we made discretionary employer matching contributions equal to 50% of the first 4% of the elective contributions made by participants in the 401(k) plan. These matching contributions are subject to a vesting schedule. In addition, we made a 3% discretionary Safe Harbor match which is fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings through our 401(k) plan adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our NEOs, in accordance with our compensation policies.

***Retirement Plans****401(k) Plan*

We maintain a tax-qualified retirement plan for our U.S.-based employees that provides eligible employees with an opportunity to save for retirement on a tax-advantaged basis. We make discretionary employer matching contributions equal to 50% of the first 4% of the elective contributions made by participants in the 401(k) plan. These company matching contributions are subject to a vesting schedule. In addition, we make a 3% discretionary Safe Harbor matching contribution, which is fully vested as of the date of the contribution. Pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participant's directions. The 401(k) plan is intended to qualify under Sections 401(a) and 501(a) of the Internal Revenue Code. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan.

*U.K. Defined Contribution Plan*

In the U.K., we maintain a defined contribution plan that provides all U.K. employees, including our NEOs based in the U.K., with an opportunity to contribute a portion of their monthly salary into the plan. If an employee elects to participate in the plan, there is a minimum employee contribution of 3% of monthly salary and the maximum contribution is subject to limits imposed by HM Revenue and Customs and pension legislation. The employee contribution to this plan is matched by an employer.



Table of Contents

contribution of up to a maximum of 5% of monthly salary. The method by which our U.K. employees participate is through a so-called "salary exchange" pursuant to which employees agree to a reduction in monthly salary in an amount equal to the defined contribution plan election. Salary sacrifice arrangements enable employees and the Company to make tax and national insurance savings because the employee's contribution is taken out of his or her gross pay. The amount of the reduction is contributed into the plan in addition to the employer contribution.

***Perquisites and Other Personal Benefits***

Consistent with other high growth, development-stage biotechnology companies, we do not currently view perquisites or other personal benefits as a significant component of our executive compensation program. During 2018, none of our NEOs received perquisites or other personal benefits.

Generally, we may provide perquisites or other personal benefits to our employees, including our NEOs, in limited circumstances where we believe it is appropriate to assist an individual in the performance of his or her duties, to make our employees more efficient and effective, and for recruitment and retention purposes. We may provide, and have previously provided, our NEOs and other employees with relocation benefits in order to attract critical talent. Any future perquisites or other personal benefits provided to our NEOs would require approval by the Remuneration Committee and by the Board (in the case of the CEO).

***Tax and Accounting Considerations***

*Deductibility of Executive Compensation*

Section 162(m) of the Code limits the compensation deduction for a publicly-traded company for U.S. federal income tax purposes to not more than \$1 million of remuneration paid to certain executive officers ("covered employees") in the company's taxable year (generally, its fiscal year). With respect to taxable years prior to January 1, 2018, remuneration in excess of \$1 million was exempt from this deduction limit if it qualified as "performance-based compensation" within the meaning of Section 162(m).

Recently-enacted tax legislation, effective for taxable years beginning after December 31, 2017, expands the scope of Section 162(m) such that all named executive officers (i.e., the corporation's principal executive officer, its principal financial officer, and the three highest compensated officers whose compensation is required to be reported under the U.S. securities laws) are "covered employees." Additionally, anyone who was a covered employee in any year after 2016 will remain a covered employee for as long as he or she (or his or her beneficiaries) receive compensation from the Company. Also, the legislation eliminates the exception to the deduction limit for commission-based compensation and performance-based compensation except with respect to certain grandfathered arrangements in effect as of November 2, 2017 that are not subsequently materially modified. Accordingly, compensation paid to our NEOs in excess of \$1 million that, but for the limits under Section 162(m), is otherwise deductible on a U.S. federal income tax return will not be deductible unless it qualifies for the transition relief applicable to certain arrangements in place as of November 2, 2017, as described above.

To maintain flexibility in compensating our NEOs in a manner designed to promote our corporate goals, our Remuneration Committee has not adopted a policy that all compensation payable to our NEOs that is subject to Section 162(m) must be deductible. Our Remuneration Committee intends to continue to consider the impact of Section 162(m) rules in determining compensation but will not necessarily limit compensation to amounts deductible under Section 162(m); it intends to continue to provide future compensation in a manner consistent with the best interests of the Company and its shareholders. It should also be noted that in the case of some of our NEOs, some or all of their

Table of Contents

compensation is not deducted on a United States federal income tax return because they perform some or all of their services outside the United States, and accordingly, the deductibility of their compensation is subject to, and deductible under the tax laws of other countries and is not limited by Section 162(m).

*Accounting for share-based compensation*

We follow the Financial Accounting Standard Board's ASC Topic 718, or ASC Topic 718, for our share-based compensation awards. FASB ASC Topic 718 requires us to estimate and record a compensation expense for all share-based payment awards made to our employees and Board members over the vesting period of the award and based on the grant date "fair value" of the award. This calculation is performed for accounting purposes and reported in the executive compensation tables required by the federal securities laws, even though the recipient of the awards may never realize any value from their awards.

*Clawback*

We do not have a formal compensation recovery policy, often referred to as a "clawback" policy, which would typically provide that the officers or directors subject to the policy must reimburse the Company for any bonus or other incentive-based or equity-based compensation improperly received. Our Remuneration Committee intends to keep under consideration the adoption of a clawback policy.

**Risk Assessment Concerning Compensation Practices and Policies**

Our Remuneration Committee reviews our compensation policies and practices to assess whether they encourage our employees to take inappropriate risks. Our Remuneration Committee has determined that any risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on our Company as a whole. In addition, our Remuneration Committee believes that the mix and design of the elements of executive compensation do not encourage management to assume excessive risks and, as described above under the heading "Compensation Discussion and Analysis," significant compensation decisions, and decisions concerning the compensation of our executive officers, include subjective considerations by our Remuneration Committee or our Board, which restrain the influence of formulae or objective factors on excessive risk taking. Finally, the mix of short-term compensation (in the form of base salary and annual bonus, if any), and long-term incentive compensation (in the form of share options) also prevents undue focus on short-term results and helps align the interests of our executive officers with the interests of our shareholders.

**Employment Arrangements**

We have service agreements with each of our Chief Executive Officer and our Chief Business Officer and we have employment agreements with each of our other NEOs. These agreements set forth the individual's base salary, bonus compensation, principles for equity compensation and other employee benefits as described above, as well as providing the NEO with the opportunity to receive certain post-employment payments and benefits in the case of certain involuntary terminations of employment or resignations for good reason. The agreements also prohibit our NEOs from engaging directly or indirectly in competition with us, recruiting or soliciting our employees, diverting our customers to a competitor, or disclosing our confidential information or business practices. The Company's executive severance policy is applicable in relation to our NEOs and provides for post-employment compensation arrangements in certain circumstances.

Table of Contents***Post-Employment Compensation***

Our post-employment compensation arrangements are designed to provide reasonable compensation to executive officers who leave the Company under certain circumstances to facilitate their transition to new employment. Further, we seek to mitigate any potential employer liability and avoid future disputes or litigation by requiring a departing executive officer to sign a separation and release agreement acceptable to us as a condition to receiving post-employment compensation payments or benefits.

Our Remuneration Committee and the Board do not consider specific amounts payable under these post-employment compensation arrangements when establishing annual compensation. It does believe, however, that these arrangements are necessary to offer compensation packages that are competitive.

For more information on the service and employment agreements with our NEOs and post-employment compensation arrangements, see the discussion under the headings "*Employment, Change of Control and Severance Arrangements with Named Executive Officers*" and "*Potential Payments upon Termination or Change in Control*" later in this proxy statement.

**Other Compensation Policies and Practices***Policy on Stock Ownership*

We do not have a policy requiring our NEOs and our non-employee directors to hold a certain number or value of our shares. However, we encourage our CEO and other NEOs to have a shareholding in the Company and all of our NEOs and our non-employee directors hold shares and/or stock options in the Company. Our Remuneration Committee and the Board are keeping under consideration the adoption of a formal stock ownership policy.

The following table sets forth information with respect to the beneficial ownership of our ordinary shares, as of December 31, 2018, by our NEOs, and the value of that beneficial ownership as a multiple of the 2018 base salaries of our NEOs.

Named Executive Officer	Ordinary Shares Beneficially Owned as of December 31, 2018	
	Number(1)	Value(2)
James Noble	17,439,001	31 x base salary
Helen Tayton-Martin, Ph.D.	6,343,301	16 x base salary
Rafael Amado, M.D.	4,464,301	9 x base salary
Adrian Rawcliffe	3,768,301	8 x base salary
William Bertrand(3)	1,490,958	3 x base salary

(1) The number of ordinary shares is comprised of ordinary shares as to which each NEO has sole voting power and ordinary shares subject to options that are exercisable as of December 31, 2018.

(2) The value is computed based on the closing price of the ADSs on December 31, 2018 of \$5.75 divided by six to generate \$0.96 per ordinary share, which is multiplied by the number of ordinary shares held by each NEO. Vested stock options where the exercise price equates to an amount greater than \$0.96 per ordinary share have been excluded. This value is compared to the 2018 base salary earned for each of the NEOs in the table above.

(3) Mr. Bertrand joined the Company on March 15, 2017.

Table of Contents

*Policy against Hedging and Pledging of our Stock*

Our insider trading policy prohibits our directors, officers, employees and consultants from engaging in transactions in publicly traded options, such as puts and calls, and other derivative securities with respect to the Company's securities. This prohibition extends to any hedging or similar transaction designed to decrease the risks associated with holding our securities. Our insider trading policy also prohibits our directors, officers, employees, and consultants from pledging our securities as collateral for loans or holding our securities in margin accounts.

Table of Contents

**REMUNERATION COMMITTEE REPORT**

*The material in this report is not (1) "soliciting material," (2) deemed "filed" with the SEC, (3) subject to Regulations 14A or 14C of the Exchange Act, or (4) subject to the liabilities of Section 18 of the Exchange Act. The report shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this information by reference such filing.*

The Remuneration Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this proxy statement with management. Based on the review and discussions, the Remuneration Committee recommended to our Board that the Compensation Discussion and Analysis be included in this proxy statement for the fiscal year ended December 31, 2018.

*The Remuneration Committee of the Board of Directors*

David M. Mott, Chairman  
John Furey  
Dr. Tal Zaks  
59

---

# Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

## Table of Contents

### 2018 Summary Compensation Table

The following table sets forth information concerning the compensation of our NEOs for the fiscal years ended December 31, 2018 and December 31, 2017 and with respect to Mr. Noble, Mr. Rawcliffe, Dr. Amado and Dr. Tayton-Martin for the fiscal year ended December 31, 2016.

The Company has never made, and does not currently make, restricted stock awards or restricted stock unit awards.

Name and Principal Position	Year	Salary (\$)	Option awards (\$)(3)	Non-equity incentive plan compensation (\$)(4)	All other compensation (\$)	Total (\$)
James Noble(1) <i>Chief Executive Officer</i>	2018	536,011(2)	1,826,960	250,585(2)	27,957(2)	2,641,513
	2017	520,399(2)	849,927	234,180(2)	27,097(2)	1,631,604
	2016	401,946(2)	1,411,405	100,487(2)	21,179(2)	1,935,017
Adrian Rawcliffe <i>Chief Financial Officer</i>	2018	457,011	730,791	174,807	46,778(5)	1,409,387
	2017	443,700	849,927	199,665	42,556(6)	1,535,848
	2016	435,000	674,104	117,450	34,262(7)	1,260,816
Rafael Amado <i>President, Research &amp; Development</i>	2018	467,952(8)	1,891,059	198,879	43,306(9)	2,601,196
	2017	442,900	849,927	199,305	43,037(10)	1,535,169
	2016	430,000	674,104	116,100	20,290(11)	1,240,494
Helen Tayton-Martin <i>Chief Business Officer</i>	2018	382,566(2)	730,791	146,331(2)	20,619(2)	1,280,308
	2017	364,279(2)	849,927	163,925(2)	19,481(2)	1,397,613
	2016	299,865(2)	674,104	80,963(2)	16,424(2)	1,071,356
William Bertrand <i>Chief Operating Officer</i>	2018	416,000	685,114	159,120	33,403(12)	1,293,637
	2017	316,666(13)	1,517,348	128,250	34,192(14)	1,996,456

- (1) Mr. Noble also serves as a director but receives no additional compensation for his service as a director.
- (2) Compensation paid to Mr. Noble and Dr. Tayton-Martin is denominated in pounds sterling. For purposes of this table, all amounts in the columns titled "Salary", "Non-equity incentive plan compensation" and "All other compensation" have been converted based on the pound sterling/U.S. Dollar exchange rate in effect as of December 31, 2018 (£1/\$1.27602).
- (3) Amounts reflect the aggregate grant date fair value of share options granted during 2018, 2017 and 2016 computed in accordance with ASC Topic 718. The assumptions used in the valuation of these awards are set forth in Note 2 (r), Note 2 (x) and Note 11 to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2018.
- (4) Amount represents sums paid under our annual cash bonus program.
- (5) Consists of Company payments in the amount of (i) \$17,780.88 to subsidize city of Philadelphia taxes, (ii) \$13,250.00 in matching contributions under the 401(k) plan and (iii) \$15,747.28 to medical insurance on behalf of Mr. Rawcliffe.
- (6) Consists of Company payments in the amount of (i) \$17,306.04 to subsidize city of Philadelphia taxes, (ii) \$13,250.00 in matching contributions under the 401(k) plan and (iii) \$12,000.00 to medical insurance on behalf of Mr. Rawcliffe.
- (7) Consists of Company payments in the amount of (i) \$16,962.14 to subsidize city of Philadelphia taxes, (ii) \$5,300 in matching contributions under the 401(k) plan and (iii) \$12,000.00 to medical insurance on behalf of Mr. Rawcliffe.



## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

- (8) Dr. Amado's base salary was increased to \$481,322 effective August 1, 2018. The amount of \$467,952 represents the aggregate of six months of his base salary of \$458,402 (from January 1, 2018 through July 31, 2018) and six months of his base salary of \$481,322 (from August 1, 2018 through December 31, 2018).
- (9) Consists of Company payments in the amount of (i) \$16,164.04 to subsidize city of Philadelphia taxes, (ii) \$13,250.00 in matching contributions under the 401(k) plan and (iii) \$13,891.62 to medical insurance on behalf of Dr. Amado.
- (10) Consists of Company payments in the amount of (i) \$15,386.76 to subsidize city of Philadelphia taxes, (ii) \$13,250.00 in matching contributions under the 401(k) plan and (iii) \$14,400.00 to medical insurance on behalf of Dr. Amado.
- (11) Consists of Company payments in the amount of (i) \$14,989.90 to subsidize city of Philadelphia taxes and (ii) \$5,300 in matching contributions under the 401(k) plan.
- (12) Consists of Company payments in the amount of (i) \$13,250.00 in matching contributions under the 401(k) plan and (ii) \$20,152.92 to medical insurance on behalf of Mr. Bertrand.
- (13) Mr. Bertrand has served as our Chief Operating Officer since March 15, 2017. His annualized base salary for 2017 was \$400,000.
- (14) Consists of Company payments in the amount of (i) \$13,250.00 in matching contributions under the 401(k) plan and (ii) \$20,941.67 to medical insurance on behalf of Mr. Bertrand.

### *Narrative Disclosure to Summary Compensation Table*

The amounts reported in the Summary Compensation Table, including base salary, annual cash bonuses and long-term, equity-based compensation awards, are discussed more fully under "*Executive Compensation Discussion and Analysis*". Our NEOs also participate in employee benefit plans and programs that we offer to our other full-time employees on the same basis and have from time to time received relocation or other expense reimbursements from us.



Table of Contents**Grants of Plan-Based Awards**

The following table sets forth information concerning grants of plan-based incentive awards to our NEOs during the fiscal year ended December 31, 2018. All options are options to purchase ordinary shares. The Company has never made, and does not currently make, restricted stock awards or restricted stock unit awards.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Target (\$)(1)	All Other Option Awards: Number of Securities underlying Options (#)(2)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards \$(3)
James Noble	01/12/2018	294,806	1,719,936(4)	1.22(5)	1,313,321
	01/12/2018		384,120(6)	0.0013(7)	513,639
Adrian Rawcliffe	01/12/2018	205,655	687,984(4)	1.22(5)	525,336
	01/12/2018		153,648(6)	0.0013(7)	205,456
Rafael Amado	01/12/2018	233,976	859,968(4)	1.22(5)	656,660
	01/12/2018		192,060(6)	0.0013(7)	256,820
	08/06/2018		678,720(8)	0.0013(7)	977,579
Helen Tayton-Martin	01/12/2018	172,155	687,984(4)	1.22(5)	525,336
	01/12/2018		153,648(6)	0.0013(7)	205,456
William Bertrand	01/12/2018	187,200	644,976(4)	1.22(5)	492,495
	01/12/2018		144,048(6)	0.0013(7)	192,619

- (1) Amounts shown in the target column represent target amounts payable under our annual cash bonus plan for each NEO for 2018. The actual amounts paid are presented above in the 2018 Summary Compensation Table under the heading "Non-Equity Incentive Plan Compensation." Awards are not subject to threshold or maximum payout amounts.
- (2) The securities underlying the options are ordinary shares.
- (3) Amounts reflect the aggregate grant date fair value of share options granted during 2018 and computed in accordance with ASC Topic 718. The assumptions used in the valuation of these awards are set forth in Note 2 (r), Note 2 (x) and Note 11 to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2018.
- (4) 25% of the ordinary shares underlying the options vest on January 12, 2019 and the remaining 75% of the ordinary shares vest monthly over 36 months beginning February 12, 2019.
- (5) For purposes of this table, the exercise price was converted from GBP0.96 based on an exchange rate of \$U.S. 1.27602 GBP1.00 in effect as of December 31, 2018. The actual exercise price will be the pounds sterling amount.



Table of Contents

- (6) 25% of the ordinary shares underlying the options vest on January 12, 2019 and the remaining ordinary shares vest as to 25% on each the second, third and fourth anniversaries of the grant date.
- (7) For purposes of this table, the exercise price was converted from GBP0.001, being the nominal value of an ordinary share, based on an exchange rate of \$U.S. 1.27602 GBP1.00 in effect as of December 31, 2018. The actual exercise price will be the pounds sterling amount.
- (8) 25% of the ordinary shares underlying the options vest on August 6, 2019 and the remaining ordinary shares vest as to 25% on each the second, third and fourth anniversaries of the grant date.

Table of Contents**Outstanding Equity Awards at 2018 Fiscal Year-End**

The following table sets forth information regarding equity awards held by our NEOs as of December 31, 2018. All options are options to purchase ordinary shares. The Company has never made, and does not currently make, restricted stock awards or restricted stock unit awards.

Name	First date some or all options are exercisable	Number of Securities Underlying Unexercised Options (#) Exercisable(2)	Number of Securities Underlying Unexercised Options(2) Unexercisable(2)	Option Exercise Price (\$/Sh)	Option Expiration Date
James Noble	03/31/2014	1,335,000	0	0.14(3)	03/30/2024
	03/31/2015	438,100	0	0.14(3)	03/30/2024
	12/19/2015	3,500,000	0	0.45(4)	12/19/2024
	01/18/2017(5)	1,435,004	533,012	1.14(6)	01/18/2026
	01/13/2018(7)	993,301	1,079,675	0.75(8)	01/13/2027
	01/12/2019(9)	0	1,719,936	1.22(10)	01/12/2028
	01/12/2019(11)	0	384,120	0.0013(12)	01/12/2028
Rafael Amado	03/16/2016(13)	3,375,000	225,000	0.64(14)	03/16/2025
	01/18/2017(15)	685,373	254,575	1.14(6)	01/18/2026
	01/13/2018(7)	993,301	1,079,675	0.75(8)	01/13/2027
	01/12/2019(16)	0	859,968	1.22(10)	01/12/2028
	01/12/2019(17)	0	192,060	0.0013(12)	01/12/2028
	08/06/2019(18)	0	678,720	0.0013(12)	08/06/2028
William Bertrand	03/15/2018(19)	1,490,958	1,916,946	0.83(20)	03/15/2027
	01/12/2019(21)	0	644,976	1.22(10)	01/12/2028
	01/12/2019(22)	0	144,048	0.0013(12)	01/12/2028
Adrian Rawcliffe	03/16/2016(13)	2,775,000	225,000	0.64(14)	03/16/2025
	01/18/2017(15)	685,373	254,575	1.14(6)	01/18/2026
	01/13/2018(7)	993,301	1,079,675	0.75(8)	01/13/2027
	01/12/2019(23)	0	687,984	1.22(10)	01/12/2028
	01/12/2019(24)	0	153,648	0.0013(12)	01/12/2028
Helen Tayton-Martin	01/25/2013	192,500	0	0.14(3)	01/25/2022
	01/01/2014	742,500	0	0.14(3)	01/01/2023
	04/11/2015	850,000	0	0.14(3)	04/14/2024
	12/19/2015	1,750,000	0	0.45(4)	12/19/2024
	01/18/2017(15)	685,373	254,575	1.14(6)	01/18/2026
	01/13/2018(7)	993,301	1,079,675	0.75(8)	01/13/2027
	01/12/2019(23)	0	687,984	1.22(10)	01/12/2028
	01/12/2019(24)	0	153,648	0.0013(12)	01/12/2028

- (1) Vesting of all options is subject to continued service through the applicable vesting date.
- (2) The securities underlying the options are ordinary shares.
- (3) For purposes of this table, the exercise price was converted from GBP0.112 based on an exchange rate of \$U.S. 1.27602 GBP1.00 in effect as of December 31, 2018. The actual exercise price will be the pounds sterling amount.
- (4) For purposes of this table, the exercise price was converted from GBP0.3557 based on an exchange rate of \$U.S. 1.27602 GBP1.00 in effect as of December 31, 2018. The actual exercise price will be the pounds sterling amount.

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

- (5) This option was partially vested and the remainder will vest in monthly installments of 41,000 ordinary shares on the eighteenth of each month from January 18, 2019 through December 18, 2019, and in one installment of 41,012 ordinary shares on January 18, 2020.
- (6) For purposes of this table, the exercise price was converted from GBP0.89 based on an exchange rate of \$U.S. 1.27602 GBP1.00 in effect as of December 31, 2018. The actual exercise price will be the pounds sterling amount.
- (7) This option was partially vested and the remainder will vest in monthly installments of 43,187 ordinary shares on the thirteenth of each month from January 13, 2019 through January 13, 2021.
- (8) For purposes of this table, the exercise price was converted from GBP0.59 based on an exchange rate of \$U.S. 1.27602 GBP1.00 in effect as of December 31, 2018. The actual exercise price will be the pounds sterling amount.
- (9) This option partially vests as to 429,984 ordinary shares on January 12, 2019 and the remainder will vest in monthly installments of 35,832 ordinary shares on the twelfth of each month from February 12, 2019 through January 12, 2022.
- (10) For purposes of this table, the exercise price was converted from GBP0.96 based on an exchange rate of \$U.S. 1.27602 GBP1.00 in effect as of December 31, 2018. The actual exercise price will be the pounds sterling amount.
- (11) This option partially vests as to 96,030 ordinary shares on January 12, 2019 and the remainder will vest in annual installments of 96,030 ordinary shares on January 12, 2020 and January 12, 2021 and January 12, 2022.
- (12) For purposes of this table, the exercise price was converted from GBP0.001, being the nominal value of an ordinary share, based on an exchange rate of \$U.S. 1.27602 GBP1.00 in effect as of December 31, 2018. The actual exercise price will be the pounds sterling amount.
- (13) This option was partially vested and the remainder will vest in monthly installments of 75,000 ordinary shares on the sixteenth of each month from January 16, 2019 through March 16, 2019.
- (14) For purposes of this table, the exercise price was converted from GBP0.50 based on an exchange rate of \$U.S. 1.27602 GBP1.00 in effect as of December 31, 2018. The actual exercise price will be the pounds sterling amount.
- (15) This option was partially vested and the remainder will vest in monthly installments of 19,582 ordinary shares on the eighteenth of each month from January 18, 2019 through December 18, 2019, and in one installment of 19,591 ordinary shares on January 18, 2020.
- (16) This option partially vests as to 214,992 ordinary shares on January 12, 2019 and the remainder will vest in monthly installments of 17,916 ordinary shares on the twelfth of each month from February 12, 2019 through January 12, 2022.
- (17) This option partially vests as to 48,015 ordinary shares on January 12, 2019 and the remainder will vest in annual installments of 48,015 ordinary shares on January 12, 2020 and January 12, 2021 and January 12, 2022.
- (18) This option partially vests as to 169,680 ordinary shares on August 6, 2019 and the remainder will vest in annual installments of 169,680 ordinary shares on August 6, 2020 and August 6, 2021 and August 6, 2022.
- (19) This option was partially vested and the remainder will vest in monthly installments of 70,998 ordinary shares on the fifteenth of each month from January 15, 2019 through March 15, 2021.



## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

- (20) For purposes of this table, the exercise price was converted from GBP0.65 based on an exchange rate of \$U.S. 1.27602 GBP1.00 in effect as of December 31, 2018. The actual exercise price will be the pounds sterling amount.
- (21) This option partially vests as to 161,244 ordinary shares on January 12, 2019 and the remainder will vest in monthly installments of 13,437 ordinary shares on the twelfth of each month from February 12, 2019 through January 12, 2022.
- (22) This option partially vests as to 36,012 ordinary shares on January 12, 2019 and the remainder will vest in annual installments of 36,012 ordinary shares on January 12, 2020 and January 12, 2021 and January 12, 2022.
- (23) This option partially vests as to 171,996 ordinary shares on January 12, 2019 and the remainder will vest in monthly installments of 14,333 ordinary shares on the twelfth of each month from February 12, 2019 through January 12, 2022.
- (24) This option partially vests as to 38,412 ordinary shares on January 12, 2019 and the remainder will vest in annual installments of 38,412 ordinary shares on January 12, 2020 and January 12, 2021 and January 12, 2022.

Table of Contents**Option Exercises and Stock Vested**

The following table sets forth the number of shares acquired by our NEOs upon the exercise of stock options during the year ended December 31, 2018. All options are options to purchase ordinary shares. The Company has never made, and does not currently make, restricted stock awards or restricted stock unit awards.

Name	Option Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)
James Noble		
Adrian Rawcliffe	100,000(1)	1,027,000(2)
Rafael Amado		
Helen Tayton-Martin		
William Bertrand		

(1) Each American Depositary Share ("ADS") represents six ordinary shares of the Company. Mr. Rawcliffe acquired 100,000 ADSs, representing 600,000 ordinary shares, from the partial exercise of an option covering 3,600,000 ordinary shares granted on March 16, 2015 of which 3,000,000 ordinary shares remain outstanding, unexercised and held by Mr. Rawcliffe. For more details, see *"Outstanding Equity Awards at 2018 Fiscal Year End"* above.

(2) The value realized on exercise amount was derived from the sale price of \$10.27 per ADS on March 20, 2018 multiplied by the number of ADSs sold, and is prior to payment of applicable withholding taxes.



Table of Contents

**Employment, Change of Control and Severance Arrangements with Named Executive Officers**

We have entered into service agreements with our Chief Executive Officer and our Chief Business Officer, and we have entered into employment agreements with each of our other NEOs. These agreements set forth the individual's base salary, bonus compensation, equity compensation and other employee benefits, which are described above in the "Compensation Discussion and Analysis". In addition, these agreements provide for severance payments pursuant to our Executive Severance Policy upon a termination of employment under certain circumstances as described below. Certain key terms of those agreements and our executive severance policy are described below.

*James Noble*

We entered into a service agreement with Mr. Noble dated March 10, 2017 that sets forth the terms and conditions under which Mr. Noble serves as our Chief Executive Officer and as a director. The agreement set out the initial annual base salary for Mr. Noble, subject to periodic review by the Company, and the initial annual target bonus opportunity and annual bonus process. The employment shall continue until terminated by either party giving no less than nine months' written notice.

In addition, we may terminate the agreement immediately by notice if Mr. Noble (i) commits a material breach under the agreement, (ii) is guilty of conduct tending to bring him or the company into disrepute, (iii) becomes bankrupt, (iv) fails to perform his duties to a satisfactory standard, (v) is disqualified from being a director by reason of any order made under the Companies Directors Disqualification Act 1986 or any other enactment, or (vi) is convicted of an offence under any statutory enactment or regulation (including the criminal offence of insider dealing under the Criminal Justice Act 1993 or any similar conviction in the United States, but excluding a motoring offence for which no custodial sentence is given).

Mr. Noble is eligible to participate in the Company's share option schemes, Group Personal Pension Scheme and in the private health care scheme and permanent health insurance schemes which the Company or any Group Company may maintain for the benefit of its senior executives. Mr. Noble's service agreement contains non-solicitation and non-competition provisions for a twelve month period as well as confidentiality provisions.

*Adrian Rawcliffe and Rafael Amado*

The employment agreements for Mr. Rawcliffe and Dr. Amado were entered into on March 10, 2017. The agreements have no specific term and establish an at-will employment relationship. The agreements set out the initial annual base salary, for each of Mr. Rawcliffe and Dr. Amado, subject to periodic review by the Company, and the initial annual target bonus opportunity for each of Mr. Rawcliffe and Dr. Amado and annual bonus process.

Mr. Rawcliffe and Dr. Amado are eligible to participate in the equity plans sponsored and/or maintained by the Company and its affiliates from time to time, in accordance with the terms of any such plans, at the sole and absolute discretion of the Company and the Board of Directors.

The Company may terminate either of their employment with or without cause and without notice, but Mr. Rawcliffe and Dr. Amado are required to provide at least 60 days' advance written notice to us if he is terminating his employment. In the event of a termination of his employment by the Company without cause or by Mr. Rawcliffe or Dr. Amado for good reason, any portion of his initial award of 3,600,000 stock options that was granted on March 16, 2015, which is unvested as of the date of termination shall vest and immediately become exercisable on the date of termination. The agreements contain non-solicitation and non-competition provisions for a twelve month period as well as standard confidentiality provisions.

Table of Contents

*William Bertrand*

The employment agreement for Mr. Bertrand was entered into on March 15, 2017. The agreement has no specific term and establishes an at-will employment relationship. The agreement sets out the initial annual base salary, subject to periodic review by the Company, and initial annual target bonus opportunity and annual bonus process. Mr. Bertrand is eligible to participate in the equity plans sponsored and/or maintained by the Company and its affiliates from time to time, in accordance with the terms of any such plans, at the sole and absolute discretion of the Company and the Board of Directors.

The Company may terminate Mr. Bertrand's employment with or without cause and without notice, but he is required to provide at least 60 days' advance written notice to us if he is terminating his employment. The agreement contains non-solicitation and non-competition provisions for a twelve month period as well as standard confidentiality provisions.

*Helen Tayton-Martin*

We entered into a service agreement with Dr. Tayton-Martin dated March 15, 2017 that sets forth the terms and conditions under which Dr. Tayton-Martin serves as our Chief Business Officer and as a director of Adaptimmune Limited. The agreement set out the initial annual base salary for Mr. Tayton-Martin, subject to periodic review by the Company, and the initial annual target bonus opportunity and annual bonus process. The employment shall continue until terminated by either party giving no less than nine months' written notice.

In addition, we may terminate the agreement immediately by notice if Dr. Tayton-Martin (i) commits a material breach under the agreement, (ii) is guilty of conduct tending to bring her or the company into disrepute, (iii) becomes bankrupt, (iv) fails to perform her duties to a satisfactory standard, (v) is disqualified from being a director by reason of any order made under the Companies Directors Disqualification Act 1986 or any other enactment, or (vi) is convicted of an offence under any statutory enactment or regulation (including the criminal offence of insider dealing under the Criminal Justice Act 1993 or any similar conviction in the United States, but excluding a motoring offence for which no custodial sentence is given).

Dr. Tayton-Martin is eligible to participate in the Company's share option schemes, Group Personal Pension Scheme and in the private health care scheme and permanent health insurance schemes which the Company or any Group Company may maintain for the benefit of its senior executives. Dr. Tayton-Martin's service agreement contains non-solicitation and non-competition provisions for a twelve month period as well as confidentiality provisions.

*Executive Severance Policy*

The Company's executive severance policy, adopted on March 10, 2017, (the "Executive Severance Policy") is applicable in relation to our NEOs. If the employment of any of our NEOs is terminated by the Company without cause, or if he or she resigns for good reason, then the NEO will be entitled under his or her service or employment agreement, as applicable, and the Executive Severance Policy to receive a severance payment equal to his or her annual base salary for nine months and to payment of premiums for continuation of healthcare benefits for a period of nine months following such termination. Our NEOs resident in the U.K. may elect to waive continuation of payment of healthcare premiums and accept a payment in lieu of such premiums. In addition, at the sole discretion of the Board (or an authorized committee thereof), the NEO may be paid a lump sum cash amount equal to his or her annual performance bonus for the year of termination, prorated based on the number of calendar days he or she was employed during the year.

Table of Contents

Furthermore, if the employment of any of our NEOs is terminated without cause or he or she resigns for good reason within 12 months following a change in control, he or she will be entitled to receive a severance payment equal to his or her annual base salary for 12 months, payment of premiums for continuation of healthcare benefits for a period of 12 months. Our NEOs resident in the U.K. may elect to waive continuation of payment of healthcare premiums and accept a payment in lieu of such premiums. In addition, the NEO will be paid a lump sum cash amount equal to the full annual performance bonus for the year of termination, and is entitled to accelerated vesting of any unvested and outstanding equity awards. In addition, the Board has discretion under our option plan rules to allow some or all of the options held by our NEOs to vest in the event of a change of control or otherwise.

In order to receive severance benefits under his or her service or employment agreement and the Executive Severance Policy, the NEO is required to execute a release of claims in favor of the Company and comply with certain other post-employment covenants set forth in his or her service or employment agreement, as applicable.

Table of Contents**Potential Payments upon Termination or Change in Control**

The following table provides information concerning the estimated payments and benefits, pursuant to the service or employment agreement and the Executive Severance Policy, that would be provided in the circumstances described below for each of our NEOs. Payments and benefits are estimated assuming that the triggering event took place on December 31, 2018, and the closing price per share of an American Depositary Share (ADS) on The Nasdaq Global Select Market as of that date (\$5.75). There can be no assurance that a triggering event would produce the same or similar results as those estimated below if such event occurs on any other date or at any other price, or if any other assumption used to estimate potential payments and benefits is not correct. Due to the number of factors that affect the nature and amount of any potential payments or benefits, any actual payments and benefits may be different.

Name	Benefit(1)	Termination without Cause or Resignation for Good Reason Not in Connection with a Change in Control (\$)	Termination without Cause or Resignation for Good Reason in Connection with a Change in Control (\$)
James Noble	Lump Sum Cash Severance Payment	402,009	536,011
	Lump Sum Bonus Payment(2)	250,585	250,585
	Vesting Acceleration(3)		650,469
	Health Insurance Premiums(5)	867	1,156
	<b>Benefit Total</b>	<b>653,461</b>	<b>1,438,221</b>
Adrian Rawcliffe	Lump Sum Cash Severance Payment	342,758	457,011
	Lump Sum Bonus Payment(2)	174,807	174,807
	Vesting Acceleration(3)	81,448(4)	501,739
	Health Insurance Premiums(5)	11,810	15,747
	<b>Benefit Total</b>	<b>610,823</b>	<b>1,149,304</b>
Rafael Amado	Lump Sum Cash Severance Payment	360,992	481,322
	Lump Sum Bonus Payment(2)	198,879	198,879
	Vesting Acceleration(3)	81,448(4)	1,217,956
	Health Insurance Premiums(5)	10,419	13,892
	<b>Benefit Total</b>	<b>651,737</b>	<b>1,912,048</b>
Helen Tayton-Martin	Lump Sum Cash Severance Payment	286,925	382,566
	Lump Sum Bonus Payment(2)	146,331	146,331
	Vesting Acceleration(3)		420,291
	Health Insurance Premiums(5)	1,119	1,491
	<b>Benefit Total</b>	<b>434,374</b>	<b>950,679</b>
William Bertrand	Lump Sum Cash Severance Payment	312,000	416,000
	Lump Sum Bonus Payment(2)	159,120	159,120
	Vesting Acceleration(3)		470,869
	Health Insurance Premiums(5)	15,115	20,153
	<b>Benefit Total</b>	<b>486,235</b>	<b>1,066,142</b>

- (1) Reflects the terms of: (a) the service agreements and employment agreements between us and our NEOs described above; (b) the Executive Severance Policy described above; and (c) equity award grant agreements between us and our NEOs for equity grants included in the *Outstanding Equity Awards at 2018 Fiscal Year End* table above. Pursuant to the Executive Severance Policy, any severance payment or benefit provided under the Executive Severance Policy is reduced by the value of any corresponding payment or benefit provided under the NEO's applicable service or employment agreement or equity award agreement.



Table of Contents

- (2) Assumes a lump sum bonus payment based on the bonus payment made in respect of year ended December 31, 2018 in both scenarios. If an NEO's employment is terminated by the Company without cause or the NEO resigns for good reason outside of a change of control scenario, any lump sum bonus payment is at the sole discretion of the Remuneration Committee or the Board (in the case of the CEO), prorated based on the number of calendar days of employment.
- (3) Reflects stock option awards. The Company has never made, and does not currently make, restricted stock awards or restricted stock unit awards. Our options cover ordinary shares that are represented by ADSs. Each ADS represents six ordinary shares of the Company. Stock option awards where the exercise price equates to an amount greater than \$0.96 per ordinary share have been excluded. \$0.96 is based on the closing price of an ADS on 31 December 2018, of \$5.75, divided by six. For stock options, aggregate market value is computed by multiplying the product of (a) the number of unvested shares accelerating as of December 31, 2018, by the sum of (b) (i) \$0.96 less (ii) the option's exercise price.
- (4) In the event of a termination of his employment by the Company without cause or by Mr. Rawcliffe or Dr. Amado for good reason, any portion of his initial award of 3,600,000 stock options that was granted on March 16, 2015, which is unvested as of the date of termination shall vest and immediately become exercisable on the date of termination. The market value amounts represent an amount for the unvested stock options from the initial award.
- (5) Assumes a lump sum payment based on the estimated premiums for COBRA continuation coverage for our NEOs resident in the U.S. (Mr. Rawcliffe, Dr. Amado and Mr. Bertrand) and a lump sum payment based on the estimated premiums for health insurance for our NEOs resident in the U.K. (Mr. Noble and Dr. Tayton-Martin).

Table of Contents**CEO Pay Ratio**

Pursuant to a mandate of the Dodd-Frank Act, the SEC adopted a rule requiring annual disclosure of the ratio of the median employee's total annual compensation to the total compensation of the principal executive officer ("PEO"). The PEO of our Company is James Noble, our Chief Executive Officer.

We believe that our compensation philosophy must be consistent and internally equitable to motivate our employees to create shareholder value. The purpose of the new required disclosure is to provide a measure of pay equity within the organization. We are committed to internal pay equity, and our Remuneration Committee monitors the relationship between the pay our PEO receives and the pay our non-executive employees receive.

As illustrated in the table below, our 2018 PEO to median employee pay ratio was approximately 19:1.

PEO 2018 Compensation	\$ 2,613,556
Median Employee 2018 Compensation	\$ 137,800
<b>Ratio of PEO to Median Employee Compensation</b>	<b>19:1</b>

We identified the median employee using annualized base salary for 2018, annual bonus earned in 2018 and aggregate grant date fair values for equity awards granted in 2018 to all individuals who were employed by us on December 31, 2018, the last day of our fiscal year (whether employed on a full-time or part-time basis). Reportable wages were annualized for those employees who were not employed for the full calendar year. Equity awards were excluded from the calculation of determining the median employee due to the high volume of staff who had joined our Company during 2018. Equity awards were then included to the median employee to ensure comparability with the PEO.

The pay ratio reported above is a reasonable estimate calculated in a manner consistent with SEC rules, based on our internal records and the methodology described above. The SEC rules for identifying the median compensated employee allow companies to adopt a variety of methodologies, to apply certain exclusions and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. Accordingly, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices and may use different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

Table of Contents**Equity Compensation Plan Information**

The following table provides information on our equity compensation plans as of December 31, 2018.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options</b>	<b>Weighted Average Exercise Price of Outstanding Options \$</b>	<b>Number of Securities Available for Future Issuance Under Equity Compensation Plans</b>
Equity compensation plans	87,564,719	0.77	15,974,382
<b>Total</b>	87,564,719	0.77	15,974,382

For purposes of this table, the Weighted Average Exercise Price of Outstanding Options has been converted from £0.60 based on the pound sterling/U.S. dollar exchange rate in effect as of December 31, 2018 (£1/\$1.27602).

The Company grants options over ordinary shares in Adaptimmune Therapeutics plc under the following option plans: (i) the Adaptimmune Therapeutics plc Employee Share Option Scheme (adopted January 14, 2016), (ii) the Adaptimmune Therapeutics plc 2015 Share Option Scheme (adopted March 16, 2015) and (iii) the Adaptimmune Therapeutics plc Company Share Option Plan (adopted March 16, 2015). The Company grants RSU-style options over ordinary shares in Adaptimmune Therapeutics plc under the Adaptimmune Therapeutics plc Employee Share Option Scheme (adopted January 14, 2016). The maximum aggregate number of options which may be granted under these plans and any incentive plans adopted by the Company cannot exceed a scheme limit that equates to 8% of the initial fully diluted share capital of the Company immediately following our IPO plus an automatic annual increase of an amount equivalent to 4% of the issued share capital on each June 30 (or such lower number as the Board, or an appropriate committee of the Board, may determine). The automatic increase is effective from July 1, 2016.

Prior to December 31, 2014, the Company granted options to purchase ordinary shares in Adaptimmune Limited under three option schemes: (i) the Adaptimmune Limited Share Option Scheme (adopted May 30, 2008), (ii) the Adaptimmune Limited 2014 Share Option Scheme (adopted April 11, 2014) and (iii) the Adaptimmune Limited Company Share Option Plan (adopted December 16, 2014). As part of the corporate reorganization in connection with our IPO, the holders of options granted under these schemes over ordinary shares of Adaptimmune Limited were granted equivalent options on substantially the same terms over ordinary shares of Adaptimmune Therapeutics plc ("Replacement Options") in exchange for the release of these options. The Company does not intend to grant any further options under these schemes. Further details of our option plans are set forth in Note 11 titled "Share based compensation" to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2018.



Table of Contents

**AUDIT COMMITTEE REPORT**

The Audit Committee oversees the accounting and financial reporting processes of the Company and the audits of the Company's financial statements, evaluates auditor performance, manages relations with the Company's independent registered public accounting firm and evaluates policies and procedures relating to internal control systems. The Audit Committee operates under a written Audit Committee charter that has been adopted by the Board. All members of the Audit Committee currently meet the independence and qualification standards for Audit Committee membership set forth in the listing standards provided by Nasdaq and the SEC, and the Board has determined that each Audit Committee member is an "audit committee financial expert," as the SEC has defined that term in Item 407 of Regulation S-K.

The Audit Committee members are not professional accountants or auditors. The members' functions are not intended to duplicate or to certify the activities of management and the independent registered public accounting firm. The Audit Committee serves a board-level oversight role in which it provides advice, counsel and direction to management and the auditors on the basis of the information it receives, discussions with management and the auditors, and the experience of the Audit Committee's members in business, financial and accounting matters.

The Audit Committee oversees the Company's financial reporting process on behalf of the Board. The Company's management has the primary responsibility for the financial statements and reporting process, including the Company's system of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed with management the audited financial statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2018. This review included a discussion of the quality and the acceptability of the Company's financial reporting, including the nature and extent of disclosures in the financial statements and the accompanying notes. The Audit Committee also reviewed the progress and results of the testing of the design and effectiveness of its internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002.

The Audit Committee also reviewed with KPMG LLP ("KPMG"), our independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of the audited financial statements with accounting principles generally accepted in the United States of America, their judgments as to the quality and the acceptability of the Company's financial reporting and such other matters as are required to be discussed with the Committee by Public Company Accounting Oversight Board ("PCAOB") AU380, *Communications with Audit Committees*, and SEC Regulation S-X Rule 207, *Communication with Audit Committees*.

The Audit Committee has received the written disclosures and the letter from KPMG required by the applicable requirements of the PCAOB regarding communications with the audit committee concerning independence. The Audit Committee has discussed with KPMG its independence from management and the Company.

In addition to the matters specified above, the Audit Committee discussed with KPMG the overall scope, plans and estimated costs of their audit. The Committee met with KPMG periodically, with and without management present, to discuss the results of KPMG's examinations, the overall quality of the Company's financial reporting and KPMG's reviews of the quarterly financial statements, and drafts of the quarterly and annual reports.

In reliance on the reviews and discussions referred to above, and subject to the limitations of the Audit Committee's role and responsibilities referred to above and in the Audit Committee charter, the Audit Committee recommended to the Board of Directors that the Company's audited financial

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

statements should be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

*The Audit Committee of the Board of Directors*  
Lawrence M. Alleva, Chairman  
Barbara Duncan  
Giles Kerr

*The foregoing report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such acts.*

Table of Contents

**DELIVERY OF PROXY MATERIALS**

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, including audited financial statements, accompanies this Proxy Statement. Copies of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and the exhibits thereto are available from the Company without charge upon written request of a shareholder. Copies of these materials are also available online through the SEC at [www.sec.gov](http://www.sec.gov). The Company may satisfy SEC rules regarding delivery of proxy materials, including this Proxy Statement and the Annual Report, by delivering a single set of proxy materials to an address shared by two or more Company shareholders or ADS holders. This delivery method can result in meaningful cost savings for the Company. In order to take advantage of this opportunity, the Company may deliver only a single set of proxy materials to multiple shareholders or ADS holders who share an address, unless contrary instructions are received prior to the mailing date. Similarly, if you share an address with another shareholder or ADS holders and have received multiple copies of our proxy materials, you may write or call us at the address and phone number below to request delivery of a single copy of the proxy materials in the future. We undertake to deliver promptly upon written or oral request a separate copy of the proxy materials, as requested, to a shareholder or ADS holders at a shared address to which a single copy of the proxy materials was delivered. If you are an ordinary shareholder of record and prefer to receive separate copies of proxy materials either now or in the future, please contact Margaret Henry, Company Secretary, Adaptimmune Therapeutics plc, 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire OX14 4RX, United Kingdom or by telephone at +(44) 1235 430036. If you hold ADSs and you prefer to receive separate copies of proxy materials either now or in the future, please contact the Depositary, your brokerage firm or bank, as applicable.

**EACH SHAREHOLDER IS URGED TO COMPLETE, DATE, SIGN  
AND PROMPTLY RETURN THE ENCLOSED FORM OF PROXY OR TO SUBMIT  
YOUR PROXY ONLINE.**

**EACH ADS HOLDER IS URGED TO COMPLETE, DATE, SIGN AND PROMPTLY RETURN  
THE ADS PROXY CARD TO CITIBANK, N.A., THE DEPOSITARY FOR THE ADSs.**

Table of Contents

**ADDITIONAL INFORMATION**

**U.K. Statutory Annual Accounts and Reports of the Board of Directors and Auditors of Adaptimmune Therapeutics plc for the year ended December 31, 2018**

Consistent with its obligations under the U.K. Companies Act 2006, our Board of Directors will present at the Meeting our U.K. statutory annual accounts and reports for the year ended December 31, 2018. Accordingly, our Board of Directors will lay before the Company at the Meeting the Company's U.K. statutory annual accounts and reports for the year ended December 31, 2018, which have been approved by and, where appropriate, signed on behalf of our Board of Directors and will be delivered to the Registrar of Companies in the United Kingdom following the Meeting. A copy of our U.K. statutory directors' remuneration report, including the annual report on remuneration, is included as Annex A to this proxy statement. A complete copy of our U.K. statutory annual accounts and reports, including the statutory Board of Directors report, strategic report, and auditor's report on our U.K. accounts will be sent separately to you no less than 21 days prior to the Meeting. You will be provided an opportunity to raise questions in relation to such accounts and reports at the Meeting. Full accounts and reports will be available for inspection prior to and during the Meeting.

**Shareholders' Rights to Call a General Meeting**

Our shareholders have the right to call a meeting of our shareholders. The U.K. Companies Act 2006 generally requires the directors to call a general meeting once we have received requests to do so from shareholders representing at least 5% of our paid-up shares entitled to vote at a general meeting. The U.K. Companies Act 2006 generally prohibits shareholders of a U.K. public limited company from passing written resolutions. However, significant shareholders would, in any case, still have the power to call a general meeting and propose resolutions. These provisions are mandatory under the U.K. Companies Act 2006 and cannot be waived by our shareholders.

**Shareholder Proposals for 2020 Annual General Meeting**

In order to be considered for inclusion in our proxy statement for our 2020 annual general meeting of shareholders, shareholder proposals must be received by the Company at the Office of the Company Secretary, 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire OX14 4RX no later than 120 days before the anniversary of the date on which we sent our proxy materials for the Meeting, or November 15, 2019. However, if the date of such annual general meeting is more than 30 calendar days from the date of the anniversary of the Meeting, then the notice must be received by our Company Secretary a reasonable time before we begin to print and send our proxy materials.

Shareholder proposals submitted for consideration at our 2020 annual general meeting of shareholders, but not submitted for inclusion in our proxy statement for our 2020 annual general meeting of shareholders, must be received by the Company at the Office of the Company Secretary, 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire OX14 4RX no later than 45 days before the anniversary of the date of the Meeting, or March 18, 2020. However, if the date of the 2020 annual general meeting is changed by more than 30 calendar days from the date of the anniversary of the Meeting, the notice must be received by our Company Secretary at least 45 days prior to the date we intend to distribute our proxy materials with respect to the 2020 annual general meeting. If a shareholder does not timely provide notice as described above, proxies solicited on behalf of our management for the 2020 annual general meeting will confer discretionary authority to vote with respect to any such matter, as permitted by the proxy rules of the SEC.

Under section 338 of the U.K. Companies Act (2006), shareholders representing at least 5% of holders entitled to vote on a resolution at an annual general meeting may require the Company to include such resolution in its notice of an annual general meeting. Provided the applicable thresholds are met, notice of the resolution must be received by the Company at the Office of the Company

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

Secretary, 60 Jubilee Avenue, Milton Park, Abingdon, Oxfordshire OX14 4RX at least six weeks prior to the date of the annual general meeting, or, if later, at the time notice of the annual general meeting is delivered to shareholders.

### **Questions?**

If you have any questions or need more information about the Meeting please write to us at:

Margaret Henry  
*Company Secretary*  
Adaptimmune Therapeutics plc  
60 Jubilee Avenue  
Milton Park  
Abingdon  
Oxfordshire OX14 4RX  
United Kingdom

Table of Contents

**ANNEX A TO PROXY STATEMENT**

**Directors' Remuneration Report**

**Remuneration Committee Chairman's Statement**

On behalf of the Board of Directors of Adaptimmune Therapeutics plc, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2018. Shareholders will be invited to approve the Report on Remuneration (which will be a non-binding advisory vote) at the Annual General Meeting of shareholders to be held on 2 May 2019.

***Period Covered by the Directors' Remuneration Report***

The Directors' Remuneration Report that follows is for the full year period from 1 January 2018 to 31 December 2018 except where otherwise stated.

***The Remuneration Committee***

The Committee is responsible for reviewing and establishing our executive remuneration policy and philosophy, including making recommendations regarding the remuneration of our Chief Executive Officer ("CEO") to the Board for its approval, and determining and approving the remuneration of other senior executive officers. While the Board sets the remuneration of our CEO, who is our sole Executive Director, the Committee makes recommendations on such matters to the Board.

***Philosophy***

We seek to attract and retain outstanding employees who have the potential to support the growth of the Group and to attract and retain Non-Executive Directors who can substantially contribute to our success as an innovative, clinical-stage biopharmaceutical company. As the Group has operations in the United Kingdom and the United States, our senior executives and our Non-Executive Directors live and work in the U.K. and the U.S., and we are listed on a U.S. stock exchange, we assess the competitiveness of our policies against both U.K. and U.S. benchmarks and practices, with an increasing focus on U.S. benchmarks and practices.

***Business Strategy during 2018***

Our primary goal in 2018 was to progress the development of the Group including:

advancement of our clinical trials for ADP-A2M10, ADP-A2M4 and ADP-A2AFP;

continuing to use our SPEAR T-cell platform to generate SPEAR T-cells for cancers where existing therapeutic approaches are limited;

continuing to understand, further enhance and improve the effectiveness and persistence of our SPEAR T-cell therapies; and

the optimisation and expansion of our process development and manufacturing capabilities to maintain our leadership position in the TCR space and the continued expansion of our intellectual property portfolio.

***2018 Business Highlights***

2018 was a year of strong operational performance for Adaptimmune.

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

Key business highlights during 2018 included:

#### *Advancement of our clinical trials for ADP-A2M10, ADP-A2M4 and ADP-A2AFP*

Two Phase 1 clinical trials are ongoing with ADP-A2M10. The first clinical trial is in patients with non-small cell lung cancer ("NSCLC"). The second clinical trial is in patients with three cancer tumour types, urothelial, melanoma and head and neck cancers.

In 2018, both trials have progressed to the expansion phase, with patients being treated with up to 10 billion transduced SPEAR T-cells.

A Phase 1 clinical trial is ongoing with ADP-A2M4 in bladder, melanoma, head and neck, ovarian, NSCLC, synovial sarcoma, myxoid round cell liposarcoma ("MRCLS"), oesophageal and gastric cancers.

In 2018, this trial progressed to the expansion phase with patients being treated with up to 10 billion transduced SPEAR T-cells.

A Phase 1 clinical trial is ongoing with ADP-A2AFP in patients with hepatocellular cancer.

In 2018, this trial moved into the dose escalation phase within the second dose cohort, with patients in Cohort 2 receiving a target dose of 1 billion SPEAR T-cells.

#### *Successful transition of NY-ESO program*

During 2018, a fourth SPEAR T-cell, the NY-ESO SPEAR T-cell was transitioned to GlaxoSmithKline ("GSK") following GSK's exercise of its option to obtain an exclusive global license to the NY-ESO SPEAR T-cell programme in September 2017. GSK has assumed full responsibility for all development, manufacturing and commercialization activities for the NY-ESO SPEAR T-cell including progression of this SPEAR T-cell into further clinical trials.

#### *Optimization and expansion of our manufacturing capabilities*

Impressive progress was achieved in manufacturing:

we initiated manufacture of cell product in January 2018 at the Adaptimmune SPEAR T-cell manufacturing plant in Philadelphia

we scaled to the routine manufacture of SPEAR T-cells at target doses to treat patients across a broad range of solid tumours

we established a dedicated vector manufacturing capability in the U.K. and our first vector production run to support pilot clinical trials is anticipated for late 2019

we secured existing vector production with our third party vendor

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

These achievements enable us to continue to develop manufacturing enhancements and improvements with the aim of reducing the time taken to manufacture and supply patient products.

### *Progression of our pre-clinical pipeline*

We continued to maintain development of our pipeline, including:

making good progress with an off-the-shelf product and presenting progress to date at ASGCT 2018

continuing to develop multiple next generation approaches, with the goal of having the first next generation construct ready for IND submission in 2H 2019

A-2

---



Table of Contents

investigating new targets in the context of new HLA types to be brought to the clinic beyond 2019

*Other corporate achievements*

The Company completed a Registered Direct Offering raising net proceeds of approximately \$100 million in September 2018.

*Activities and major decisions*

The Committee's activities during the year included a benchmarking review of executive compensation, which was undertaken to ensure that remuneration for the senior executive team remains competitive for the purposes of retention and engagement. The Committee engaged Willis Towers Watson as independent advisors to benchmark executive compensation against a selected peer group consisting largely of comparable U.S.-listed biopharmaceutical companies, with some U.K.-listed biopharmaceutical companies, and to provide recommendations for base salaries, equity based awards and the structure of bonus incentive awards for 2019.

As a result of this benchmarking exercise, our CEO and senior executive officers received increased base salaries at levels that remain compliant with the last approved Directors' Remuneration Policy. For our CEO, this resulted in a base salary of £457,126 effective from 1 January 2019, to maintain competitive positioning against the peer group.

In December 2018 the Committee also considered the extent of achievement of 2018 calendar year objectives by the executive team and determined the level of bonus incentive awards payable in respect of the 2018 calendar year. The awards made to our CEO and senior executive officers recognised that most of our corporate objectives for 2018 were achieved, with our CEO receiving a bonus award at 85% of the target amount.

In January 2019 the Committee approved the objectives to be achieved by the executive team during 2019. These are considered to be commercially sensitive and will not be disclosed in detail, but are designed to support achievement of our strategic objective to be a world leader in discovering, developing and commercialising TCR-based T-cell therapies that transform the clinical outcomes of patients with cancer and our ambition to be a fully integrated cell therapy company and to have the first TCR T-cell approved for a solid tumour indication.

The 2019 objectives are linked to our business goals, which include the continuation of some 2018 goals, with the addition of a key objective for 2019:

the advancement of our clinical trials for ADP-A2M10, ADP-A2M4 and ADP-A2AFP. A key objective is to advance these wholly owned SPEAR T-cells further during 2019 with the aim of providing initial clinical data for ADP-A2M10 and ADP-A2M4 during the first half of 2019;

continuing to use our SPEAR T-cell platform to generate SPEAR T-cells for cancers where existing therapeutic approaches are limited;

continuing to understand, further enhance and improve the effectiveness and persistence of our SPEAR T-cell therapies;

the optimisation and expansion of our process development and manufacturing capabilities to maintain our leadership position in the TCR space; and

the continued expansion of our intellectual property portfolio.

Generally, the remuneration arrangements adopted in 2019 recognise the greater demands placed on our CEO and senior executive team to deliver on our strategy and create value for our shareholders.



Table of Contents

Finally, under the last approved Directors' Remuneration Policy, the Board has discretion to pay Non-Executive Directors in the form of a mixture of cash and equity. The remuneration arrangements for Non-Executive Directors during 2018 comprised an award of a fixed number of share options, plus an additional number of share options or cash payment at the Director's election. The option awards and cash payments were made at competitive levels aligned with peer group data from comparable companies provided in a benchmarking analysis undertaken by Willis Towers Watson in 2018.

/s/ DAVID M. MOTT

---

**David M Mott**

*Director and Chairman of the Remuneration Committee*

26 February 2019

A-4

---

Table of Contents**PART I REPORT ON REMUNERATION**

*The information provided in this part of the Directors' Remuneration Report is subject to audit.*

The Remuneration Committee presents the Report on Remuneration for the year ended 31 December 2018, which will be put to shareholders for a non-binding vote at the Annual General Meeting to be held on 2 May 2019.

**Single Total Figure of Remuneration for each Director**

The following table shows the remuneration received by the Directors for the year ended 31 December 2018. For reference only, the table also shows the remuneration received by the Directors for the year ended 31 December 2017, which information was included in the Company's annual report and financial statements for the year ended 31 December 2017 and approved by shareholders at the Annual General Meeting held on 20 June 2018.

Name of Director	For the year ended 31 December 2018:						For the year ended 31 December 2017:					
	Fixed Pay(1)		Variable Pay(1)				Fixed Pay(1)		Variable Pay(1)			
	Salary and fees	Taxable benefit	Annual bonus	Pension allowance	Equity-Based Awards (6)	Total	Salary and fees	Taxable benefit	Annual bonus	Pension allowance	Equity-Based Awards (6)	Total
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Executive</b>												
James Noble (CEO)	420,065(2)	906(3)	196,380(4)	21,003(5)		638,354	407,830(2)	844(3)	183,524(4)	20,392(5)		612,590
<b>Non-executives</b>												
David Mott (Chairman)												
Lawrence Alleva	23,511					23,511						
Ali Behbahani												
Barbara Duncan												
John Furey												
Giles Kerr	39,594					39,594	37,648					37,648
Elliott Sigal												
Peter Thompson												
Tal Zaks	34,286					34,286	33,493					33,493

Notes to table of Single Total Figure of Remuneration for each Director

- (1) The majority of the remuneration was set and paid in pounds sterling (£). For the purpose of this table, the fees paid in U.S. dollars to Mr Lawrence Alleva and Dr Tal Zaks for the year ended 31 December 2018 have been translated into pounds sterling based on the U.S. dollar/pound sterling exchange rate at 31 December 2018 (\$1.27602 to £1). The fees paid in U.S. dollars to Dr Tal Zaks for the year ended 31 December 2017, have been translated into pounds sterling based on the U.S. dollar/pound sterling exchange rate at 31 December 2017 (\$1.35005 to £1).
- (2) The base salary levels of our CEO and all other employees of the Group are reviewed and, to the extent deemed necessary, adjusted to be effective from 1 January in each year.
- (3) Taxable benefits comprise medical insurance. Generally, Mr Noble participates in the same benefits as we offer to all our employees in the United Kingdom where Mr Noble resides.
- (4) The annual bonus amount for each of the year ended 31 December 2018 and the year ended 31 December 2017 represents the total bonus payment that related to performance in each of 2018 and 2017.
- (5) The pension allowance for each of the year ended 31 December 2018 and the year ended 31 December 2017 represents an amount equating to 5% of the base salary for each of 2018 and 2017.
- (6)

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

There were no performance obligations linked to the equity-based awards. In each of the year ended 31 December 2018 and the year ended 31 December 2017, the value of equity-based awards included in the table is based on the market value of underlying shares at the date of grant, less the applicable exercise price, which is nil because the exercise price was based on the market value of the underlying shares at the date of grant.

### *Annual Bonus*

The annual bonus for the year ended 31 December 2018 shown in the table above for Mr Noble, our CEO, was based on the achievement of objectives primarily linked to our business strategies and which included: the continued advancement of our clinical trials for ADP-A2M10, ADP-A2M4 and ADP-A2AFP; continuing to use our SPEAR T-cell platform to generate SPEAR T-cells for cancers where existing therapeutic approaches are limited; continuing to understand, further enhance and improve the effectiveness and persistence of our SPEAR T-cell therapies; optimization and expansion

A-5

---

Table of Contents

of our process development and manufacturing capabilities to maintain our leadership position in the TCR space and the continued expansion of our intellectual property portfolio.

The Board has considered whether it would be in the best interests of the Company and its shareholders to disclose the precise targets agreed for the performance measures in 2018. An additional consideration is that most of our competitors are based in the U.S. where market practice is not to disclose precise annual bonus targets for biotechnology companies at the pre-commercialization stage. As the specific objectives for a single year are based on the Group's long-term strategies, the Board has concluded that disclosing such targets would necessarily involve divulging competitively sensitive information that we believe would be detrimental to our commercial performance going forward and, therefore, we are providing the categories of objectives, rather than the precise targets.

***Statement of Directors' Shareholdings and Share Interests***

The table below shows, for each Director, the total number of shares owned, the total number of share options held and the number of share options vested as at 31 December 2018. No Director exercised any share options during the year ended 31 December 2018. The table only reflects shares held individually by each Director, or a family investment vehicle or trust, and does not include shares held by any investment fund with which the Director is affiliated.

Name of Director	Shares owned	Total share options	Vested share options(1)	Options exercised during year ended 31 December 2018
<i>Executive Director</i>				
James Noble (CEO)	11,172,600(2)	11,418,148	7,701,405	
<i>Non-Executive Directors</i>				
David Mott (Chairman)		844,530	657,200	
Lawrence Alleva	117,864(3)	1,114,628	958,143	
Ali Behbahani		715,841	561,032	
Barbara Duncan		719,774	499,141	
John Furey		284,233		
Giles Kerr		556,000	333,000	
Elliott Sigal	367,038(4)	1,104,236	916,942	
Peter Thompson		565,603	565,603	
Tal Zaks		556,000	333,000	

- (1) All share options that were outstanding as at 31 December 2018 use time-based vesting and are not subject to performance targets other than continued service until the date of vesting.
- (2) Includes 1,200,000 Ordinary shares represented by 200,000 ADSs that Mr Noble purchased in October 2015.
- (3) Consists of 70,584 Ordinary shares represented by 11,764 ADSs that Mr Alleva purchased during the IPO and 47,280 Ordinary shares represented by 7,880 ADSs purchased by the Lawrence M. Alleva Revocable Trust in December 2018.
- (4) Includes 254,100 Ordinary shares held by Sigal Family Investments LLC, as well as 52,938 Ordinary shares represented by 8,823 ADSs that Dr Sigal purchased during the IPO and 60,000 Ordinary shares represented by 10,000 ADSs purchased by Sigal Family Investments LLC in May 2016.

***Policy on Shareholding Requirements***

We do not currently have a policy requiring our Directors to hold a certain number or value of our shares. However, we encourage our Executive Director and senior executive officers to have a



Table of Contents

shareholding in the Company. The scale of our CEO's share ownership is well in excess of the most stretching shareholding guidelines demanded by investors and proxy advisors.

***Directors' Equity-based Awards Held at 31 December 2018***

The table below presents the interests of the Directors in options to acquire our Ordinary shares with a nominal value of £0.001 per share as at 31 December 2018. 3,415,470 options were granted to

A-7

---



## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

Directors during the year ended 31 December 2018. None of our Directors exercised any options during the year ended 31 December 2018.

Name of Director	Options Held	Grant date	Start date for vesting	Exercise price	First date of exercise of some or all options(1)	Date of expiry
<b>Executive Director</b>						
James Noble (CEO)(2)	1,335,000	20/03/15	31/03/14	£ 0.1120	31/03/14	30/03/24
	438,100	20/03/15	31/03/14	£ 0.1120	31/03/15	30/03/24
	3,500,000	20/03/15	19/12/14	£ 0.3557	19/12/15	19/12/24
	1,968,016	18/01/16	18/01/16	£ 0.89	18/01/17	18/01/26
	2,072,976	13/01/17	13/01/17	£ 0.59	13/01/18	13/01/27
	1,719,936	12/01/18	12/01/18	£ 0.96	12/01/19	12/01/28
	384,120	12/01/18	12/01/18	£ 0.001	12/01/19	12/01/28
<b>Total</b>	<b>11,418,148</b>					
<b>Non-Executive Directors</b>						
David Mott (Chairman)	163,229	11/05/15	11/05/15	£ 1.82	11/05/15	11/05/25
	191,410	11/08/16	11/08/16	£ 0.97	11/08/17	11/08/26
	302,561	03/07/17	03/07/17	£ 0.58	03/07/18	03/07/27
	187,330	22/06/18	22/06/18	£ 1.65	22/06/19	22/06/28
<b>Total</b>	<b>844,530</b>					
Lawrence Alleva(3)	519,481	16/03/15	16/03/16	£ 0.50	16/03/16	16/03/25
	30,745	11/05/15	11/05/15	£ 1.82	11/05/15	11/05/25
	196,678	11/08/16	11/08/16	£ 0.97	11/08/17	11/08/26
	243,724	03/07/17	03/07/17	£ 0.58	03/07/18	03/07/27
	124,000	22/06/18	22/06/18	£ 1.65	22/06/19	22/06/28
<b>Total</b>	<b>1,114,628</b>					
Ali Behbahani	155,682	11/05/15	11/05/15	£ 1.82	11/05/15	11/05/25
	184,562	11/08/16	11/08/16	£ 0.97	11/08/17	11/08/26
	220,788	03/07/17	03/07/17	£ 0.58	03/07/18	03/07/27
	154,809	22/06/18	22/06/18	£ 1.65	22/06/19	22/06/28
<b>Total</b>	<b>715,841</b>					
Barbara Duncan(4)	332,776	23/06/16	23/06/16	£ 1.01	23/06/17	23/06/26
	228,765	03/07/17	03/07/17	£ 0.58	03/07/18	03/07/27
	158,233	22/06/18	22/06/18	£ 1.65	22/06/19	22/06/28
<b>Total</b>	<b>719,774</b>					
John Furey(4)	284,233	05/07/18	05/07/18	£ 1.49	05/07/19	05/07/28
Giles Kerr(4)	288,000	29/11/16	29/11/16	£ 0.65	29/11/17	29/11/26
	144,000	03/07/17	03/07/17	£ 0.58	03/07/18	03/07/27
	124,000	22/06/18	22/06/18	£ 1.65	22/06/19	22/06/28
<b>Total</b>	<b>556,000</b>					
Elliott Sigal(3)	519,481	16/03/15	16/03/16	£ 0.50	16/03/16	16/03/25
	24,596	11/05/15	11/05/15	£ 1.82	11/05/15	11/05/25
	184,562	11/08/16	11/08/16	£ 0.97	11/08/17	11/08/26
	220,788	03/07/17	03/07/17	£ 0.58	03/07/18	03/07/27
	154,809	22/06/18	22/06/18	£ 1.65	22/06/19	22/06/28
<b>Total</b>	<b>1,104,236</b>					

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

Peter Thompson(5)	155,682	11/05/15	11/05/15	£	1.82	11/05/15	11/05/25
	186,142	11/08/16	11/08/16	£	0.97	11/08/17	11/08/26
	223,779	03/07/17	03/07/17	£	0.58	03/07/18	03/07/27
<i>Total</i>	<i>565,603</i>						
Tal Zaks(4)	288,000	29/11/16	29/11/16	£	0.65	29/11/17	29/11/26
	144,000	03/07/17	03/07/17	£	0.58	03/07/18	03/07/27
	124,000	22/06/18	22/06/18	£	1.65	22/06/19	22/06/28
<i>Total</i>	<i>556,000</i>						

---

Notes to table of Directors' Equity-based Awards Held at 31 December 2018

- (1) All share options awarded to Directors that were outstanding as at 31 December 2018 use time-based vesting and are not subject to performance targets other than continued service until the date of vesting.

Table of Contents

- (2) All options granted to James Noble on 20 March 2015 were granted as replacement options in exchange for options formerly held over Ordinary shares of Adaptimmune Limited. Generally, these replacement options vest and become exercisable as follows: 25% on the first anniversary of the grant date of the original options and 75% in monthly instalments over the following three years.
- (3) 519,481 options granted to Lawrence Alleva and 519,481 options granted to Dr Elliott Sigal vest and become exercisable as follows: 25% on the first anniversary of the grant date and 75% in monthly instalments over the following three years. All options granted to Non-Executive Directors on 11 May 2015 vested and became exercisable on 11 May 2015. All options granted to Non-Executive Directors on 11 August 2016 vested and became exercisable on 11 August 2017. All options granted to Non-Executive Directors on 3 July 2017 vested and became exercisable on 3 July 2018. All options granted to Non-Executive Directors on 22 June 2018 vest and become exercisable on 22 June 2019.
- (4) 332,776 options granted to Barbara Duncan, 288,000 options granted to Giles Kerr 288,000 options granted to Tal Zaks and 284,233 options granted to John Furey were awarded on appointment as new Directors, and vest and become exercisable as follows: 25% on the first anniversary of the grant date and 75% in monthly instalments over the following two years.
- (5) Peter Thompson stood down from the Board on 5 July 2018 and did not receive an annual award of options in 2018. In recognition of Dr Thompson's service as a Board member and as a member of the Remuneration Committee up to 5 July 2018, he was permitted a 12 month period in which to exercise those options which had vested as at 5 July 2018. Any options that are not exercised by 5 July 2019 will lapse and cease to be exercisable.

The closing market price of our ADSs on 31 December 2018 was \$5.75. One ADS represents six Ordinary shares.

***Payments Made to Past Directors***

During the year ended 31 December 2018, we made no payments to former Directors of the Company.

***Payments for Loss of Office***

During the year ended 31 December 2018, we made no payments with respect to a Director's loss of office.

***Illustration of Total Shareholder Return***

***The information provided in this part of the Directors' Remuneration Report is not subject to audit.***

The following graph compares the cumulative total shareholder return on our ADSs, each representing six Ordinary shares, with that of the Nasdaq Biotech Index and the Nasdaq Composite Index for the period that our shares were publicly traded, which commenced on 6 May 2015. We selected the Nasdaq Biotech Index because our ADSs trade on The Nasdaq Global Select Market and

Table of Contents

we believe this indicates our relative performance against a group consisting of more similarly situated companies.

**Chief Executive Officer Total Remuneration History**

The table below sets out total remuneration details for the Chief Executive Officer.

<b>Period</b>	<b>Single total figure of remuneration £(1)</b>	<b>Annual bonus payout against maximum opportunity(2)</b>	<b>Long term incentive vesting rates against maximum opportunity(3)</b>
<i>Year ended 31 December 2018:</i>	638,354	47%	100%
<i>Year ended 31 December 2017:</i>	612,590	45%	100%

- (1) The Single total figure of remuneration for the year ended 31 December 2018 includes the annual bonus payment for performance in the year ended 31 December 2018. The Single total figure of remuneration for the year ended 31 December 2017 includes the annual bonus payment for performance in the year ended 31 December 2017.
- (2) The bonus payout percentage amount for the year ended 31 December 2018 relates to the total annual bonus payment for performance in the year ended 31 December 2018. The bonus payout percentage amount for the year ended 31 December 2017 relates to the total annual bonus payment for performance in the year ended 31 December 2017. In both years, the maximum opportunity was an annual bonus payment of up to 100% of salary, which was in line with the last approved Directors' Remuneration Policy.
- (3) The amount shown represents the percentage of the options that actually vested during the period expressed as a percentage of the maximum number of options that could have vested during the period. There were no performance obligations linked to these equity-based awards, other than service obligations, and therefore, all options that could have vested during the period have actually vested.



Table of Contents**Chief Executive Officer's Remuneration Compared to Other Employees**

The Chief Executive Officer's average fixed salary of £420,065 for the year ended 31 December 2018 was 5.8 times the value of the average fixed salary of the Group's comparator employees for such period. His average fixed salary of £407,830 for the year ended 31 December 2017 was 6.1 times the value of the average fixed salary of the Group's comparator employees for that period.

The following table shows the percentage change in remuneration of the Chief Executive Officer in comparison to the percentage change in remuneration of an employee in the comparator group (1) between the year ended 31 December 2018 and the year ended 31 December 2017.

**Percentage change in remuneration in the year ended 31 December 2018  
compared with remuneration in the year ended 31 December 2017**

	CEO	Average change per employee(1)
Base salary	3.0%	7.9%
Annual bonus	7.0%	10.8%
Taxable benefits	7.3%	(1.1)%(2)

- (1) The employee comparator group comprises all UK and US employees who were employed for the full 24 month period ended 31 December 2018. The percentage change calculations were performed in local currency and then combined using a weighted average based on the number of employees. This group is considered to be an appropriate comparator group because it is representative of the Group's employees in terms of seniority and demographics; additionally, using a consistent employee group, with the same individuals appearing in the 2017 and 2018 groups, enables a meaningful comparison to be made.
- (2) Taxable benefits for the CEO and for employees comprise small amounts and, therefore, any change generates a significant percentage decrease or increase. For the year ended 31 December 2018, the CEO's taxable benefits totalled £906 (2017: £844) for more details, please refer to the table for 'Single Total Figure of Remuneration for each Director' earlier in this report.

**Relative Importance of Spend on Pay**

The following table sets forth the total amounts spent by the Company and its direct and indirect subsidiaries on remuneration for the year ended 31 December 2018 and the year ended 31 December 2017. Given that the Group remains in the early phases of its business life cycle, the comparator chosen to reflect the relative importance of the Group's spend on pay is the Group's research and development expenses as shown in its consolidated income statement on page 57 of its Annual Report and Financial Statements for the year ended 31 December 2018.

Period:	Year ended		Year ended	
	31 December 2018		31 December 2017	
Total spend on remuneration(1):	\$	64,276,000	\$	47,358,000
Research and development expenses:	\$	115,242,000	\$	96,381,000

- (1) The total spend on remuneration includes the value of equity-based awards as recognised in the financial statements in accordance with International Financial Reporting Standard 2 "Share-Based Payments".

Table of Contents

***Executive Director Remuneration for the year ending 31 December 2019***

***Salary***

In 2018, the Committee engaged Willis Towers Watson as independent advisors to benchmark executive compensation, to ensure that it remains competitive for the purposes of retention and engagement. Willis Towers Watson benchmarked executive compensation against a selected peer group consisting largely of comparable U.S.-listed biopharmaceutical companies, with some U.K.-listed biopharmaceutical companies, and to provide recommendations for base salaries, equity based awards and the structure of bonus incentive awards for 2019.

As a result of this benchmarking exercise, our CEO and senior executive officers received increased base salaries at levels that remain compliant with the last approved Directors' Remuneration Policy. For our CEO, this resulted in a base salary of £457,126 effective from 1 January 2019.

***Annual bonus***

For the year ending 31 December 2019, the CEO is eligible for a target bonus award of 60% of his base salary of £457,126 (that is, £274,276), subject to the achievement of objectives. These are linked to our business strategies, which include: the advancement of our clinical trials for ADP-A2M10, ADP-A2M4 and ADP-A2AFP. A key objective is to advance these wholly owned SPEAR T-cells further during 2019 with the aim of providing initial clinical data for ADP-A2M10 and ADP-A2M4 during the first half of 2019; continuing to use our SPEAR T-cell platform to generate SPEAR T-cells for cancers where existing therapeutic approaches are limited; continuing to understand, further enhance and improve the effectiveness and persistence of our SPEAR T-cell therapies; the optimisation and expansion of our process development and manufacturing capabilities to maintain our leadership position in the TCR space; and the continued expansion of our intellectual property portfolio.

It is anticipated that the Board will meet in the first quarter of 2020 to assess the performance of the CEO for the year ending 31 December 2019 against the objectives.

The Board has considered whether it would be in the best interests of the Company and its shareholders to disclose the precise targets agreed for the performance measures in 2019. An additional consideration is that most of our competitors are based in the U.S. where market practice is not to disclose precise annual bonus targets for biotechnology companies at the pre-commercialization stage. As the specific objectives for a single year are based on the Group's long-term strategies, the Board has concluded that disclosing such targets would necessarily involve divulging competitively sensitive information that we believe would be detrimental to our commercial performance going forward and, therefore, we are providing the categories of objectives, rather than the precise targets.

***Long-term incentives***

During January 2019, awards of share options were made to our CEO and other Senior Executive Officers. These awards were within market competitive levels provided by Willis Towers Watson, following their benchmarking assessment of equity awards made to executive teams in a peer group of comparable U.S. and U.K. listed biopharmaceutical companies, with a priority focus on U.S. companies, and were also within the principles of the last approved Directors' Remuneration Policy. These awards were disclosed on Form 4s submitted to the Securities and Exchange Commission on 8 January 2019.

***The Remuneration Committee***

The Remuneration Committee is comprised of Mr Mott (Chairman), Mr Furey and Dr Zaks. All members have continued to serve until the date of this Report on Remuneration. The charter of the Committee is set forth on our website at <http://www.adaptimmune.com>

Table of Contents***Advice Provided to the Remuneration Committee***

The Committee retained Willis Towers Watson to provide independent advice and consultation with respect to remuneration arrangements for the CEO (being our sole Executive Director) and senior management. Willis Towers Watson is a global remuneration consultant with a well-established reputation for the design and implementation of remuneration programmes, including the design and implementation of equity-based incentive programmes. The Committee also sourced certain market research data reports from Radford remuneration consultants. In the year ended 31 December 2018, the amounts paid to Willis Towers Watson totalled \$130,783 and the amounts paid to Radford totalled \$7,050.

In addition to Willis Towers Watson and Radford, the Committee solicited and received input from the CEO concerning the remuneration of senior executives other than himself. The CEO provided recommendations with respect to annual cash bonuses to be paid to these persons for service in the year ended 31 December 2018 and base salaries effective from 1 January 2019 and with respect to equity-based awards made to these persons in January 2019. Finally, the CEO also provided input to the Committee regarding the implementation of equity-based remuneration as an element of all other employees' remuneration.

***Statement of Voting Results***

Voting at our shareholder meetings has generally been conducted by show of hands by shareholders who are in attendance at the meeting. At the Annual General Meeting held on 20 June 2018, all of the resolutions set out in the Notice of the Annual General Meeting sent to shareholders were duly proposed and passed by unanimous approval, including the resolution proposing the approval of the Directors' Remuneration Report for the year ended 31 December 2017 and the resolution proposing the approval of the Directors' Remuneration Policy to apply effective from the end of that Annual General Meeting. No votes were withheld.

Details of the proxy votes received in relation to the resolution proposing the approval of the Directors' Remuneration Report for the year ended 31 December 2017, and in relation to the resolution proposing the approval of the Directors' Remuneration Policy were as follows:

<b>Resolution</b>	<b>Votes For</b>	<b>% of Total</b>	<b>Votes Against</b>	<b>% of Total</b>	<b>Votes Withheld</b>	<b>% of Total</b>
To approve the Directors' Remuneration Report	444,072,376	99.88	523,800	0.12	144,768	0.033
To approve the Directors' Remuneration Policy	444,092,212	99.88	514,152	0.12	134,580	0.0003

***Statement of Implementation of Remuneration Policy in the Year ended 31 December 2018***

There have been no changes to the Directors' Remuneration Policy, as approved at the Annual General Meeting of shareholders held on 20 June 2018. In 2019, the Company intends to adhere to the policy as approved.



Table of Contents

**PART II DIRECTORS' REMUNERATION POLICY**

*The information provided in this part of the Directors' Remuneration Report is not subject to audit.*

We have set forth below a summary of the remuneration policy for the Executive Directors and for our Non-Executive Directors.

The Directors' Remuneration Policy was approved at the Annual General Meeting held on 20 June 2018 and remains effective for a maximum of three years, until 19 June 2021, or until a revised policy is approved by shareholders. The last approved remuneration policy can also be found in the Annual Report and Financial Statements of the Company for the year ended 31 December 2017, which is available in the Investors section of our website: <http://www.adaptimmune.com>

***Summary of remuneration policy Executive Directors***

As Adaptimmune Therapeutics plc is a U.K. incorporated company listed on NASDAQ, the Group has operations in the U.K. and the U.S., our senior executives and our Non-Executive Directors live and work in the U.K. and the U.S., the Committee considers it appropriate to examine and be informed by compensation practices in both the U.K. and U.S., particularly in the matter of equity-based incentives, with an increasing focus on U.S. benchmarks and practices. The Committee considers that the last approved Directors' Remuneration Policy continues to be appropriate and fit for purpose, but the Committee is committed to reviewing the remuneration policy on an ongoing basis in order to ensure that it remains effective and competitive.

The Directors' Remuneration Policy is used to determine the remuneration for our CEO, our sole Executive Director, as well as for our other senior executives, and would also apply to other Executive Directors and senior executives that we appointed.

As described in the last approved Directors' Remuneration Policy, the elements of remuneration for the Executive Director(s) and Senior Executives comprise: base salary, pension or pension allowance payment, benefits (currently, access to death-in-service life insurance, family private medical cover and ill-health income protection), annual bonus and long term equity incentives (currently, share option awards).

The remuneration of our CEO is determined by the Board after having considered recommendations from the Committee. The remuneration of other senior executives in the Company, excluding our CEO, (the "Senior Executives") is determined by the Committee.

In 2018, the Committee retained an independent remuneration consultant, Willis Towers Watson, to assist the Committee in ensuring that our remuneration arrangements for the Executive Director and senior executives are competitive for the calendar year commencing 1 January 2019. Willis Towers Watson provided data from comparable publicly traded biopharmaceutical companies and otherwise assisted the Committee in its design of competitive remuneration for the Executive Director and senior executives. We expect to continue to use remuneration consultants to assist the Committee in determining competitive levels of executive remuneration and specific design elements of our remuneration programme.

## Edgar Filing: Adaptimmune Therapeutics PLC - Form DEF 14A

### Table of Contents

The following tables present the elements of remuneration for our CEO (our sole Executive Director) and our other senior executives.

Element of Remuneration	Purpose and link to strategy	Operation	Maximum	Performance targets
Base salary	Rewards skills and experience and provides the basis for a competitive remuneration package.	<p>Salaries will be reviewed annually by reference to: (i) market practice and market data on which the Committee receives independent advice; (ii) the individuals' experience and scope of the role; (iii) broader employee increases and (iv) rates of inflation.</p> <p>Salaries will be benchmarked against comparable roles in a selected peer group of US- and European-listed biopharmaceutical companies with similar market capitalisations and/or scale of operational complexity.</p> <p>We typically expect to align salaries with the 50<sup>th</sup> percentile of peer group comparator data but may vary from this general rule where we consider that special circumstances apply or where recruitment or retention of a particular role is required.</p> <p>The Committee may also decide to approve future increases following changes to job responsibilities or to reflect experience within the role.</p>	<p>Salaries will not generally exceed the 75<sup>th</sup> percentile of peer group comparator data for the relevant role unless there is a clear business rationale to do so.</p> <p>The Committee will reference alternative data for roles not widely represented in the core peer group.</p> <p>The Committee retains discretion to adjust the Executive Directors' base salaries to ensure that we can attract and retain the necessary talent to effectively compete in the global marketplace.</p>	Not applicable.
Pension	Enables Executive Directors to build long-term retirement savings.	Company contribution to a personal pension scheme or a pension allowance payment, at the election of the Executive Director. Levels will be reviewed annually and the Committee may decide to increase future contribution levels should the review indicate such a change is appropriate.	5% of basic salary.	Not applicable.

Table of Contents

Element of Remuneration	Purpose and link to strategy	Operation	Maximum	Performance targets
Benefits	Protects against risks and provides other benefits in line with market practice.	Benefits currently include death-in-service life insurance, family private medical cover and ill-health income protection. The Committee will review benefits offered from time to time and retains the discretion to add or substitute benefits to ensure they remain market competitive.	Not applicable.	Not applicable.
Annual Bonus	Rewards achievement of the near-term business objectives set at the start of each calendar year and reflects individual and team performance of the Executive Director and other Senior Executives in achieving those objectives, and progress towards achieving our strategic goals.	<p>In the event that the Group requires an Executive Director to relocate, we would offer appropriate relocation assistance.</p> <p>Objectives are set at the start of each calendar year.</p> <p>The choice of annual performance objectives will reflect the Committee's assessment of the key milestones/metrics required to be achieved within the calendar year in order to make progress towards achieving our strategic goals.</p> <p>The target annual cash bonus for our Executive Directors will be established as a percentage of base salary.</p> <p>The annual bonus is payable in cash after award.</p> <p>When business opportunities or challenges change substantially during the course of the year, the Committee may adjust objectives to meet the changed circumstances and correspondingly realign potential rewards.</p>	<p>Awards will normally be limited to a maximum of 100% of basic salary.</p> <p>In exceptional periods, considered to be those years in which achievements lead to a transformational effect on the future prospects or the valuation of the business, the annual maximum may increase to up to 150% of basic salary.</p> <p>Judgement as to whether achievements in a calendar year are considered to be exceptional is at the discretion of the Committee.</p>	<p>The Committee retains the ability to set performance objectives annually.</p> <p>These objectives can be group-based and /or individual, financial and/ or non-financial, and are likely to include milestones linked to:</p> <p>successful execution of key elements of pipeline development programmes;</p> <p>progress with clinical trials programmes;</p> <p>key regulatory steps (IND grants, regulatory approvals);</p>

progress with business  
development activities;

the Group's financial  
position and equity  
liquidity and valuation.

A-16

---

Table of Contents

Element of Remuneration	Purpose and link to strategy	Operation	Maximum	Performance targets
Long term equity incentives	<p>Motivates and rewards multi-year performance, encouraging achievement of strategy over the medium to long term.</p> <p>Aligns the interests of our Executive Directors and Senior Executives with those of our shareholders.</p> <p>Encourages retention as entitlement to full benefits arising from equity-based awards only accrues over a period of years.</p> <p>Enables us to compete with equity-based remuneration offered by a set of comparable companies with whom we may compete for executive talent.</p>	<p>Under our share option schemes, the Committee is able to grant awards of CSOP options in the UK, and unapproved share options (non-qualifying options) in the UK and US, which includes the ability to grant RSU-style awards. All awards may be subject to performance targets.</p> <p>The Committee generally grants equity-based remuneration to Executive Directors and Senior Executives at the time they commence employment and from time to time thereafter based on performance.</p> <p>The Committee is able to grant share options which permit phased vesting over the period. Currently, awards vest over a period of four years, with the first 25% vesting after 12 months.</p>	<p>There is no fixed annual maximum limit to the size or value of equity-based compensation awards made in a year to Executive Directors and Senior Executives, or in the aggregate over a period of years.</p> <p>However, the Committee will always work within benchmarking guidelines provided by our compensation consultants. Additionally, our option scheme rules set a maximum limit on the grant of options to all participants of 8% of our initial issued share capital on the date of our IPO increased by 4% on each 30 June to be effective from 1 July 2016.</p>	<p>A number of these objectives are considered to be commercially sensitive and are therefore not disclosed here in detail.</p> <p>Generally, we grant equity-based remuneration awards that vest over time without specific performance targets other than continued service.</p> <p>When making awards, the Committee considers: the size and value of past awards; the performance of the Executive Director or Senior Executive; and competitive data on awards made to executives at comparable companies.</p> <p>Our Severance Policy entitles the Executive Director and Senior Executives to accelerated vesting of options on termination without cause on a change of control.</p>

Table of Contents

Element of Remuneration	Purpose and link to strategy	Operation	Maximum Expected values are calculated in accordance with generally accepted methodologies based on Black-Scholes models.	Performance targets Additionally, the Board has discretion to accelerate vesting of options including in connection with a change of control event or when an Executive Director's service is terminated on account of disability or death.
			We seek to establish equity-based remuneration to be reasonably competitive to that offered by a set of comparable companies with whom we may compete for executive talent.	<i>See Policy on Payments for Loss of Office.</i>

*Notes to policy tables*

- (1) The use of time-based vesting for share option awards is consistent with U.S. practice, to which we look for guidance on our policies. We examine, with assistance from Willis Towers Watson, our independent remuneration consultant, comparative data on both a (i) fair market value basis and (ii) percentage of salary basis. The Committee uses a blend of the two methods to establish appropriate levels of equity-based remuneration for the Executive Director and Senior Executives.

Table of Contents

***Application of the Remuneration Policy to Executive Director Remuneration for the year ending 31 December 2019***

The following table provides an illustration of the potential remuneration for the year ending 31 December 2019 for the CEO, as the sole Executive Director, computed in accordance with the Remuneration Policy outlined above and by applying the following assumptions:

Minimum	<p>The base salary for the Executive Director is assumed to be the base salary of £457,126 per annum effective from 1 January 2019.</p> <p>The value of benefits receivable for the year ending 31 December 2019 is assumed to be 5% of base salary for a pension allowance payment and the same rate of contribution for private health insurance as for 2018.</p> <p>No bonus is assumed for the Executive Director.</p>
In line with expectations	<p>The same components for base salary and benefits as reflected for the minimum above.</p> <p>The expected level of bonus is taken to be 60% of base salary, being the target level of bonus payment for the year ending 31 December 2019.</p>
Maximum	<p>The same components for base salary and benefits as reflected for the minimum above.</p> <p>The maximum level of bonus is taken to be 100% of current base salary.</p>

The bar chart below does not include any value for equity-based award remuneration in either the minimum illustration or the illustration of remuneration in line with expectations. We do not believe it is possible to reasonably quantify the value that might result from outstanding options and other equity-based awards.

Table of Contents

***Service Contracts***

It is Group policy that Executive Directors should have contracts with an indefinite term providing for a maximum of up to 12 months' notice. We currently employ our CEO, our sole Executive Director, on a service agreement providing for termination, other than for cause, upon nine months' advance notice by either the Company or the CEO. The CEO is required to resign his position as a Director if the Board requires a resignation in conjunction with the end of the employment relationship. We expect service contracts with future Executive Directors will have comparable provisions.

On termination of the service contract without cause, we have the right to require the Executive Director to take garden leave for all or part of the notice period (the remaining term of the contract) and we have the right to pay salary and benefits in lieu of notice. During the period of any garden leave, the Executive Director must continue to be available to the Company and will continue to receive his full salary and other contractual entitlements. The Company may terminate the Executive Director's employment with immediate effect in certain circumstances including bankruptcy, criminal convictions, gross misconduct or serious or repeated breaches of obligations of his service. In the event of termination of the Executive Director for cause, we are not obligated to make any payment in lieu of notice. The service agreement contains non-solicitation and non-competition provisions for a 12 month period as well as confidentiality provisions.

***Policy on Payments for Loss of Office***

Our approach to payments in the event of termination of an Executive Director is to take account of the individual circumstances including the reason for termination, individual performance, contractual obligations and the terms of the long-term incentive plans in which the Executive Director participates.

As previously reported in our approved Directors' Remuneration Report for the year ended 31 December 2016, and subsequent reports, during March 2017, the Company entered into an amended service agreement with our Executive Director and adopted an executive severance policy that is applicable to our Executive Director and senior executive officers on termination other than for cause. The amended service agreement and executive severance policy are compliant with our last approved Directors' Remuneration Policy. In particular, all employment arrangements for any Executive Director(s) will continue to include a notice provision and continuing payment obligations for not more than a maximum period of one year following our termination of an Executive Director other than for cause. Payment obligations would include base salary, bonus and benefits. In the event of termination without cause following a change of control, the Executive Director is entitled to accelerated vesting of any unvested and outstanding equity awards. In addition, the Board has discretion under our option scheme rules to allow some or all of the options held by our Executive Director and senior executives to vest in the event of a change of control or otherwise.

In order to receive severance benefits under the employment agreement and executive severance policy, the Executive Director is required to execute a release of claims in favour of the Company and comply with certain other post-employment covenants set forth in his employment agreement.

We will comply with applicable disclosure and reporting requirements of the Securities and Exchange Commission with respect to remuneration arrangements with a departing Executive Director.

***Policy on Recruitment Arrangements***

Our policy is to pay a fair remuneration package for the role being undertaken and the experience of the individual to be appointed. We expect remuneration packages will include base salary, targeted level of annual cash incentive, initial and ongoing equity-based awards, standard benefits and special provisions tailored to the recruiting situation, such as: sign-on bonus, reasonable relocation support and



Table of Contents

make-whole awards for remuneration forfeited from a prior employer (whether on account of cash bonuses, share awards, pension benefits or other forfeited items).

The Board retains the discretion to provide additional benefits where necessary or useful to recruit new Executive Directors or to secure the ongoing service of existing Executive Directors.

If we appoint an existing employee as an Executive Director of the Company, we would expect to retain legacy obligations to the employee with respect to remuneration, such as outstanding share awards. Should these differ materially from current arrangements, these will be disclosed in the next Directors' Remuneration Report following such appointment. We will also disclose remuneration details for a new Executive Director in accordance with applicable reporting requirements of the Securities and Exchange Commission.

***Summary of remuneration policy Non-Executive Directors***

Under the last approved Directors' Remuneration policy, the Board has the discretion to pay fees to any or all Non-Executive Directors and/or to pay Non-Executive Directors in the form of a mixture of cash and share options. Our remuneration arrangements for Non-Executive Directors continue to comprise an award of a fixed number of share options, plus an additional number of share options or cash payment at the Director's election. The option awards and cash payments made in 2018 were established at competitive levels taking into account peer data from comparable companies provided in a benchmarking analysis undertaken by Willis Towers Watson in 2018 and are compliant with the last approved Directors' Remuneration policy.

The Committee has retained Willis Towers Watson to assist the Committee in ensuring that our remuneration arrangements for the Non-Executive Directors are competitive and appropriate by benchmarking them against comparable publicly traded biopharmaceutical companies, with an increasing focus on U.S. benchmarks and practices. We expect to continue to use remuneration consultants to assist the Committee in determining competitive levels of Non-Executive Director remuneration and specific design elements of our Non-Executive Director remuneration programme.

Our Non-Executive Directors participate in the Group's long-term incentive plans on terms similar to those used for Executive Directors. In accordance with their Letters of Appointment, each Non-Executive Director is entitled to receive an annual award of share options, and incoming Non-Executive Directors receive an initial award of share options, and which may include RSU-style awards, with such number to be determined by the Board. In determining option awards, the Board works within benchmarking guidelines provided by remuneration consultants.

Any share options that are awarded will not be subject to performance conditions.

Our Non-Executive Directors do not receive any pension from the Company nor do they participate in any performance-related incentive plans.

Table of Contents

The following table presents the elements of remuneration for Non-Executive Directors.

Element of Remuneration	Purpose and link to strategy	Operation	Maximum
Non-Executive fees	<p>Reflects time commitments and responsibilities of each role.</p> <p>Reflects fees paid by similarly sized companies.</p>	<p>The remuneration of the Non-Executive Directors will be determined by the Board as a whole by reference to market practice and market data, on which the Committee receives independent advice, and reflects individual experience, scope of the role, time commitment and changes to responsibilities.</p> <p>We typically expect to align fees with the 50<sup>th</sup> percentile of peer group comparator data but may vary from this general rule where we consider that special circumstances apply or where recruitment or retention of a particular role is required.</p> <p>Fees will typically consist of a basic fee for Non-Executive Director responsibilities plus incremental fees for additional roles/responsibilities such as chairmanship of Board committees and a senior independent Non-Executive Director role.</p> <p>The Non-Executive Directors may elect to receive the fees in cash or in the form of an award of additional share options.</p> <p>The Non-Executive Directors do not receive any pension from the Company, nor do they participate in any performance-related incentive plans.</p>	<p>The value of each individual's aggregate fees will not exceed the 75<sup>th</sup> percentile of peer group comparator data for the relevant role.</p>

Table of Contents

<b>Element of Remuneration</b>	<b>Purpose and link to strategy</b>	<b>Operation</b>	<b>Maximum</b>
Long term equity incentives	<p>For public companies listed in the United States, equity-based remuneration is a standard component of Director remuneration.</p> <p>We extend equity-based awards to our Non-Executive Directors in order to be competitive with comparable companies seeking qualified Directors and to align the interests of our Non- Executive Directors with those of our shareholders.</p>	<p>Non-Executive Directors participate in the Group's long-term incentive plans on terms similar to those used for Executive Directors.</p> <p>Under their appointment letters, each Non-Executive Director is entitled to receive an annual award of options, provided that he or she continues to serve as a Director. When a new Non-Executive Director is appointed, he or she may receive an initial award of options. In either scenario, these may include RSU-style awards.</p> <p>The Board is able to grant share options which permit phased vesting over the period. Currently, options awarded to new Directors become fully exercisable over three years while options awarded annually are exercisable on the first anniversary of the date of grant. Any share options awarded will not be subject to performance conditions. Expected values are calculated in accordance with generally accepted methodologies based on Black-Scholes models.</p>	<p>Not applicable.</p> <p>The option awards will be determined by the Board as a whole working within benchmarking guidelines provided by our compensation consultants. Additionally, our option scheme rules set a maximum limit on the grant of options to all participants of 8% of our initial issued share capital on the date of our IPO increased by 4% on each 30 June effective from 1 July 2016.</p>

***Letters of Appointment***

The Chairman and all other Non-Executive Directors have letters of appointment which set out the terms under which they provide their services to the Company and which are subject to a three month notice period either by the Company or the Non-Executive Director. Their remuneration is reviewed by the Board annually. In accordance with the Company's Articles of Association, Non-Executive Directors are included in the requirement that one-third of Directors are subject to retirement by rotation at each Annual General Meeting of shareholders. There is no remuneration payable on loss of office when, for example, a Director is not re-elected at an Annual General Meeting.

***Statement of Consideration of Employment Conditions and Differences to the Executive Director Policy***

All our employees are paid a base salary and receive standard employee benefits, which vary according to whether they are employed in the UK or in the US but all are entitled to a contribution from the Group towards a pension scheme or retirement plan, as well as access to health insurance and income protection.

All employees are eligible to be considered for an annual increase in their base salaries, provided they have worked for a sufficient portion of the prior fiscal year. In addition, all employees are eligible to be considered for target annual cash bonus awards, subject to the achievement of objectives and to the overall performance of the Company, and for consideration for regular option awards. Eligibility is dependent on the employee's position and performance, with more senior employees eligible for higher bonus and option award levels.

Table of Contents

No specific consultation with employees has been undertaken in respect of the design of the Company's senior executive remuneration policy to date although the Committee will keep this under review.

*Statement of Consideration of Shareholder Views*

This policy for remuneration of both Executive Directors and Non-Executive Directors was devised by a Remuneration Committee of which all members are Non-Executive Directors. The policy was also approved by the full Board.

*Approval*

This report was approved by the Board of Directors on 26 February 2019 and signed on its behalf by:

/s/ DAVID M. MOTT

---

**David M Mott**

*Director*

26 February 2019

A-24

---

Table of Contents

**Form of Proxy For Ordinary Shareholders**

A-25

---













