

**ACACIA PHARMA GROUP PLC (the “Company”)**  
(incorporated and registered in England and Wales under number 09759376)

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

*If you are in any doubt about its content or as to what action you should take, you should consult your stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.*

*If you have sold or transferred all your shares in the Company, please pass this document and the accompanying proxy form to the purchaser or transferee or to the stockbroker or other agent through whom you made the sale or transfer, for transmission to the purchaser or transferee.*

Notice is hereby given that the 2020 Annual General Meeting of the Company will be held at its offices at The Officers’ Mess, Royston Road, Duxford, Cambridge CB22 4QH, United Kingdom, at 11.00 am on 7 April 2020 for the purposes of considering and voting on the resolutions set out below. Resolutions 1-11 will be proposed as ordinary resolutions which require a majority of the votes cast to vote in favour in order to be passed. Resolution 12 will be proposed as a special resolution which will require 75 per cent. or more of the votes cast to vote in favour in order to be passed.

**ORDINARY RESOLUTIONS**

**Report and Accounts**

1. To receive the consolidated financial statements and the reports of the Directors and the auditor for the year ended 31 December 2019.

**Directors’ Remuneration**

2. To approve the Directors’ Remuneration Policy set out on pages 44 to 49 of the Annual Report and Consolidated Financial Statements of the Company for the year ended 31 December 2019, such Policy to take effect after the end of the 2020 Annual General Meeting for 3 years or until replaced by a new or amended policy.
3. To approve amendments to the Directors’ Remuneration Policy approved by the Company’s shareholders at the Annual General Meeting held on 3 June 2019 to authorise the grant of awards under the Company’s Performance Share Plan (adopted 1 March 2018) to Mike Bolinder over 75,000 and 175,000 ordinary shares in the Company and to Christine Soden over 70,000 and 50,000 ordinary shares in the Company during the year ended 31 December 2019.
4. To approve the Directors’ Remuneration Report (including the Remuneration Committee Chairman’s Statement but excluding that part containing the Directors’ Remuneration Policy) as set out in the Annual Report and Consolidated Financial Statements of the Company for the year ended 31 December 2019.

**Election and Re-election of Directors**

5. To re-elect Scott Byrd as a Director of the Company.
6. To re-elect Michael Bolinder as a Director of the Company.
7. To re-elect Edward Borkowski as a Director of the Company.
8. To re-elect John Brown as a Director of the Company.

## **Auditor**

9. To re-appoint PricewaterhouseCoopers LLP as auditor of the Company to hold office until the conclusion of the Company's next Annual General Meeting.
10. To authorise the Directors of the Company to agree the remuneration of the Company's auditor.
11. THAT the directors of the Company (the "Directors") be and are hereby generally and unconditionally authorised, in addition to any existing authorities, pursuant to and in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Act), up to an aggregate nominal amount of £640,000.00, such authority to expire at the next annual general meeting of the Company (unless previously revoked or varied by the Company in general meeting), save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require equity securities to be allotted and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

## **SPECIAL RESOLUTION**

12. That subject to the passing of Resolution 11 above, in addition to any existing authorities, the Directors be and are hereby empowered, pursuant to sections 570 to 573 of the Act to allot equity securities for cash and to sell equity securities from treasury for cash pursuant to the authority referred to in Resolution 11 above as if section 561 of the Act did not apply to any such allotment or sale provided that this authority: (i) shall be limited to the allotment of equity securities and the sale of equity securities from treasury for cash up to an aggregate nominal amount of £640,000.00 and (ii) shall expire at the next annual general meeting of the Company (unless previously revoked or varied by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold from treasury after the expiry of such power, and the Directors may allot equity securities or sell equity securities from treasury in pursuance of such an offer or agreement as if such power had not expired.

## **Recommendation**

The Directors consider that all the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions, as they intend to do in respect of their own beneficial holdings of shares.

By order of the Board

Anne-Marie Elsley  
Company Secretary

13 March 2020

Registered Office: The Officers' Mess, Royston Road, Duxford, Cambridge CB22 4QH, United Kingdom

Registered in England and Wales No: 09759376

## EXPLANATORY NOTES - RESOLUTIONS

The notes below explain the proposed resolutions.

### **Resolution 1: Receiving the reports and accounts**

The Directors must present the accounts and reports of the Company for the year ended 31 December 2019 to shareholders at the Annual General Meeting. These include the report of the Directors, the consolidated financial statements and the report of the auditor on the consolidated financial statements. Shareholders are being asked to receive the report and accounts.

### **Resolution 2: Approval of Directors' Remuneration Policy**

The revised Directors' Remuneration Policy is set out on pages 44 to 49 of the Annual Report and Consolidated Financial Statements for the year ended 31 December 2019. It sets out the Company's policy on remuneration and potential payments to Directors in future and replaces the Directors' Remuneration Policy approved by shareholders at the Company's Annual General Meeting held on 3 June 2019. The Directors' Remuneration Policy must be approved by shareholders (by means of a separate resolution) at least once every three years.

### **Resolution 3: Approval of share awards to Directors**

Shareholders are invited to approve amendments to the Directors' Remuneration Policy as approved at the annual general meeting on 3 June 2019 so as to facilitate the grant of certain awards to two Directors, Mike Bolinder and Christine Soden, under the Company's Performance Share Plan as described in the Directors' Remuneration Report at page 38 of the Annual Report and Consolidated Financial Statements for the year ended 31 December 2019 in connection with a temporary voluntary reduction in salary and foregoing bonus entitlement for 2019 where the vesting of such awards was dependent on receiving FDA approval of the NDA for BARHEMSYS on or before 30 June 2020 and the Company having sufficient cash or debt resources to proceed with the planned recruitment of a 30-strong sales force, and awards which were subject only to service-based vesting conditions. The awards to Mike Bolinder were over 75,000 and 175,000 ordinary shares in the Company respectively and the awards to Christine Soden over 70,000 and 50,000 ordinary shares in the Company respectively.

### **Resolution 4: Approval of Directors' Remuneration Report**

Shareholders are invited to approve the Directors' Remuneration Report, excluding the Directors' Remuneration Policy, which may be found on pages 33 to 44 of the Annual Report and Consolidated Financial Statements for the year ended 31 December 2019. It sets out the pay and benefits received by each of the Directors for the year ended 31 December 2019. In line with legislation this vote will be advisory and in respect of the overall remuneration package.

### **Resolutions 5-8 (inclusive): Re-election of Directors**

In accordance with the 2018 UK Corporate Governance Code, all Directors of the Company will stand for re-election on an annual basis. Accordingly, Scott Byrd, Mike Bolinder, Edward Borkowski and John Brown will retire and, being eligible will offer themselves for re-election at the Annual General Meeting. Biographies of each of the Directors are set out on pages 16 to 18 of the Annual Report and Financial Statements for the year ended 31 December 2019.

At the time of the Company's initial public offering, both Pieter van der Meer and Johan Kördel stated their intention to stand down from the Board at the 2019 Annual General Meeting. However, the Board believed it to be in the best interests of the Company to retain their experience until such time as BARHEMSYS was approved. Having reached that milestone, Pieter and Johan are now standing down at the 2020 Annual General Meeting. Patrick Vink, who has served as Chairman for the last 4 years is also standing down.

Following a formal performance evaluation, the Board considers that each Director continues to be effective and demonstrates commitment to their respective roles. The Board is satisfied that John

Brown, Edward Borkowski and, with effect from 2020, Scott Byrd, are independent in character and that there are no relationships or circumstances which are likely to affect their character or judgement.

Under the terms of the Investment Agreement entered into between the Company and Cosmo Pharmaceuticals on 10 January 2020, Cosmo Pharmaceuticals has the right to appoint a representative director to the Company's Board. In exercise of its right, Cosmo has requested the appointment of Alessandro Della Cha as a Director to the Board, with such appointment becoming effective from the conclusion of the Annual General Meeting. Alessandro Della Cha is the Chief Executive of Cosmo Pharmaceuticals and his biography is set out below. Alessandro will be subject to the same rules on rotation and re-election as apply to the Board generally following his appointment.

Alessandro has been a Board Member of Cosmo Pharmaceuticals NV since 2006 and has served as Cosmo's CEO since 2014. Prior to joining Cosmo Pharmaceuticals he was senior partner at Studio Legale Edoardo Ricci e Associati, Milan, where he specialized in company law, as well as mergers and acquisitions and he was assistant of the central director for corporate matters at Fininvest Group. He also served as director of II.PP.A.B. Milan (formerly ECA), a charitable institution owning hospitals and specialized in elderly care.

Alessandro has a degree in law from the University of Milan, Italy, and an LL.M. in European Union commercial law from the University of Leicester, United Kingdom. He is a lecturer in conferences and seminars held by universities and institutions on commercial and company law issues.

#### **Resolution 9: Re-appointment of auditor**

The auditor of a public company must be appointed at each general meeting at which accounts are laid. Resolution 9 proposes the re-appointment of PricewaterhouseCoopers LLP, who have been in office since 2015, as auditor of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

#### **Resolution 10: Authority to agree auditor's remuneration**

Resolution 10 gives authority to the Directors, in accordance with standard practice, to agree the remuneration of the Company's auditor.

#### **Ordinary Resolution 11 and Special Resolution 12: Authority to allot equity securities and disapply pre-emption rights**

If passed, resolution 11 will authorise the Directors to allot and sell from treasury equity securities (as defined by section 560 of the Companies Act 2006 (as amended\_ ("CA 2006"))) up to a maximum nominal amount of £640,000 which represents approximately 50% per cent. of the Company's issued ordinary shares (excluding treasury shares) as at 10 March 2020. The authority granted by this resolution will expire on the conclusion of next year's annual general meeting.

If passed, resolution 12 will authorise the Directors to allot and sell from treasury the equity securities authorised pursuant to Resolution 11 otherwise than on a pre-emptive basis up to a maximum nominal amount of £640,000 which represents approximately 50 per cent of the Company's issued ordinary shares (excluding treasury shares) as at 10 March 2020. The authority granted by this resolution will expire on the conclusion of next year's annual general meeting.

**The Directors intend to exercise these authorities in order to satisfy milestone payments which may become payable pursuant to the Byfavo™ sub-licence entered into with Cosmo as well as in connection with future offering of ordinary shares.**

#### **MEMBER NOTES:**

The following notes explain your general rights as a shareholder and your right to attend and vote at the Annual General Meeting of the Company, or to appoint someone else to vote on your behalf.

## **1. Entitlement to attend and vote**

To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of business on 3 April 2020. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

## **2. Proxies**

- (a) As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting. You can only appoint a proxy using the procedures set out in these notes.
- (b) Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- (c) A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
- (d) You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. You may not appoint more than one proxy to exercise rights attached to any one share.
- (e) If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box provided the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. If you submit more than one completed valid proxy, the proxy received last before the latest time for receipt of proxies will take precedence.
- (f) To appoint more than one proxy, you may photocopy the proxy form. Please indicate in the box on the form the number of shares in relation to which they are authorised to act as your proxy. Please also indicate with an "X" in the place provided on the proxy form if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- (g) To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you mark with an "X" "discretion", or if no voting indication is given, your proxy will vote or abstain from voting as he or she sees fit.
- (h) To appoint a proxy using this form, your proxy form must be:
  - completed and signed by the appointor or their duly authorised attorney;
  - sent or delivered to the Company's Registrars, Equiniti Limited, Aspect house, Spencer Road, Lancing, West Sussex BN99 6DA; and
  - received by post or by hand by no later than 11.00 am on 3 April 2020 (together with any power of attorney or other authority under which it is signed or a notarially

certified copy of such power or a copy certified in accordance with the Power of Attorney Act 1971 or in some other manner approved by the Directors).

Completed proxy forms should NOT be sent to the Company's registered office.

- (i) In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company stating their capacity (eg Director, Secretary).
- (j) Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
- (k) CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual (available via <http://www.euroclear.com/CREST>) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by our agent Equiniti Limited, whose CREST participant ID is RA19, by 11.00 am on [3 April 2020].
- (l) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
- (m) If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- (n) Save through CREST, we do not have a facility to receive proxy forms electronically. Therefore, you may not use any electronic address referred to in the proxy form or any related document to submit your proxy form.

### **3. Corporate representatives**

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

### **4. Nominated persons**

Any person to whom this notice is sent as a person nominated under section 146 of CA 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

The statement of the rights of members in relation to the appointment of proxies in paragraph 2 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by members of the Company.

### **5. Issued share capital and total voting rights**

As at close of business on 10 March 2020 (being the latest practicable business day prior to the publication of this notice), the Company's ordinary issued share capital consists of 64,119,865, ordinary shares of £0.02 each, carrying one vote each. Therefore, the total voting rights in the Company as at close of business on 10 March 2020 were 64,119,865.

**6. Members' requests under s527 of CA 2006**

Under s527 of CA 2006, shareholders meeting the threshold requirements 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 consolidated financial statements (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual consolidated financial statements and reports were laid in accordance with s437 of CA 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with s527 or s528 of CA 2006. Where the Company is required to place a statement on a website under s527 of CA 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 Annual General Meeting for the relevant financial year includes any statement that the Company has been required under s527 of CA 2006 to publish on a website.

**7. Members' rights to ask questions**

Any shareholder attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Annual General Meeting, but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Annual General Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Annual General Meeting that the question be answered.

**8. Inspection of documents**

The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this notice until the time of the Annual General Meeting and may also be inspected at the Annual General Meeting venue, as specified in this notice, from 10.45 am on the day of the Annual General Meeting until the conclusion of the meeting:

Copies of the Directors' letters of appointment or service contracts.

**9. Communication**

You may not use any electronic address (within the meaning of s333(4) of CA 2006) provided in either this notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

**10. Website**

A copy of this notice, and other information required by s311A of CA 2006, can be found on the Company's website at [www.acaciapharma.com](http://www.acaciapharma.com).

**11. Voting results**

As soon as practicable after the Annual General Meeting, the results of the voting at the meeting and the number of proxy votes cast for and against, and the number of votes withheld, in respect of each resolution will be announced via a Regulatory Information Service and also placed on the Company's website [www.acaciapharma.com](http://www.acaciapharma.com).