

Verona Pharma plc

NOTICE & PROXY STATEMENT

Annual General Meeting of Shareholders

April 27, 2021

1:00 p.m. (British Summer Time)

**VERONA PHARMA PLC
ONE CENTRAL SQUARE
CARDIFF, CF10 1FS
WALES, UNITED KINGDOM**

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Proxy Statement

Verona Pharma plc
One Central Square
Cardiff, CF10 1FS
Wales, United Kingdom

We have sent you this proxy statement and the enclosed form of proxy because the Board of Directors (the “Board” or “Board of Directors”) of Verona Pharma plc (referred to herein as the “Company”, “Verona”, “we”, “us” or “our”) is soliciting your proxy to vote at our 2021 Annual General Meeting of Shareholders (referred to herein as the “AGM”) to be held electronically as a telephone meeting on Tuesday, April 27, 2021, at 1:00 p.m. British Summer Time (8:00 a.m. Eastern Time). You will be able to attend the AGM via teleconference by calling +1-888-317-6003 (for United States callers) or +1-412-317-6061 (for international callers) and providing conference ID 2027253.

- This proxy statement summarizes information about the proposals to be considered at the AGM 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 AGM, this proxy statement and the form of proxy to our ordinary shareholders of record as of March 12, 2021 (being the latest practicable date before the circulation of this document) for the first time on or about March 22, 2021. In this mailing, we are also including our U.K. statutory annual accounts and reports for the year ended December 31, 2020 (“2020 U.K. Annual Report”), which is appended as Annex A to this proxy statement, and our annual report on Form 10-K for the year ended December 31, 2020 (“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, including the 2020 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.

While this document is being sent to our ordinary shareholders of record, this document will also be sent to registered holders of American Depositary Shares (“ADSs”) as of 5:00 p.m. Eastern Time on Friday, March 12, 2021 (the “ADS Record Date”) and contains information relevant to holders of ADSs.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 27, 2021

Our Notice of AGM, this proxy statement, the Annual Report on Form 10-K, the 2020 U.K. Annual Report and our form of proxy (for ordinary shareholders) are available on our investor relations website located at www.veronapharma.com/investors.

Our principal executive offices are located at 3 More London Riverside, London SE1 2RE, United Kingdom.

Questions and Answers About the Annual General Meeting

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 is soliciting your proxy to vote at the AGM, including at any adjournments or postponements of the AGM. However, you do not need to attend the AGM to vote your shares. Instead, please simply complete, sign and return the enclosed form of proxy. All proxies, however submitted, must be received by the Company Secretary no later than 1:00 p.m. British Summer Time (8:00 a.m. Eastern Time) on April 23, 2021, or if the AGM is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day which is not a working day).

The return of a completed form of proxy will not preclude you from attending the AGM by telephone, should you subsequently decide to do so, however, you must appoint the Chairman of the AGM as your proxy for your vote to be counted as you will not be able to vote during the AGM.

You are encouraged to appoint the Chairman of the AGM as your proxy. If you appoint any person other than the Chairman of the AGM as your proxy, that person will not be able to vote your shares at the AGM via teleconference.

We intend to mail this proxy statement and the accompanying form of proxy on or about March 19, 2021 to all ordinary shareholders of record as of March 12, 2021 entitled to vote at the AGM.

Materials for ADS holders of record, including this proxy statement, the Annual Report on Form 10-K, the 2020 U.K. Annual Report and an ADS voting instructions, will be mailed on or about March 19, 2021 to all ADS holders, including banks, brokers and nominees, who are registered as holders of ADSs in the ADS register as of 5:00 p.m. Eastern Time on the ADS Record Date. ADS voting instructions submitted by ADS holders must be received by Citibank, N.A. no later than 10:00 a.m. Eastern Time on April 21, 2021 (the "ADS Voting Cut-off Time").

WHO CAN VOTE AT THE AGM?

Ordinary shareholders

Only shareholders holding voting ordinary shares of record registered in the register of members at 1:00 p.m. British Summer Time (8:00 a.m. Eastern Time) on April 23, 2021 will be entitled to vote at the AGM. Holders of non-voting ordinary shares have no right to receive notice of, or to attend or vote, at the AGM.

As of March 12, 2021 (being the last practicable date before the circulation of this proxy statement) there were 440,215,550 ordinary shares issued and entitled to vote.

As a result of restrictions on movement and gatherings imposed by the UK Government in response to the COVID-19 pandemic, the AGM will be held electronically as a telephone meeting and ordinary shareholders will not be able to attend the AGM in person.

We urge you to fill out and return the enclosed form of proxy to ensure your vote is counted. All proxies, however submitted, must be received by the Company Secretary no later than 1:00 p.m. British Summer Time (8:00 a.m. Eastern Time) on April 23, 2021, or if the AGM is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day which is not a working day).

You are strongly encouraged to appoint the Chairman of the AGM as your proxy. If you appoint any person other than the Chairman of the AGM as your proxy, that person will not be able to vote your shares at the AGM via teleconference.

If you sell or transfer your ordinary shares in the Company on or prior to April 23, 2021, 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 Ben Harber, Company Secretary, to request a new form of proxy for use.

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

A record holder holds shares in his or her name. Shares held in “street name” means shares that are held in the name of a bank or broker on a person’s behalf. If your shares are held by a bank or a brokerage firm, you are considered the “beneficial owner” of those shares held in “street name.”

If, on March 12, 2021, 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 AGM. As the beneficial owner of voting ordinary shares, you have the right to direct your bank or brokerage firm how to vote your shares, and the bank or brokerage firm is required to vote your shares in accordance with your instructions. If your shares are held by a bank or brokerage firm, you may not vote your shares in person at the AGM, unless you obtain a legal proxy from your bank or brokerage firm. You are encouraged to provide voting instructions to your bank or brokerage firm so that they may submit a proxy.

Holders of American Depositary Shares and beneficial owners 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 maintained by Citibank, N.A. as of 5:00 p.m. Eastern Time on March 12, 2021, the ADS Record Date.

If you hold ADSs through a brokerage firm, bank or nominee on the ADS Record Date, the materials for ADS holders, including ADS voting instructions, 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.

Please note that ADS voting instructions submitted by ADS holders must be received by Citibank, N.A. **no later than 10:00 a.m. Eastern Time on April 21, 2021, the ADS Voting Cut-Off Time.**

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 Claire Poll, General Counsel, on email: claire.poll@veronapharma.com.

WHAT ARE THE REQUIREMENTS TO ELECT THE DIRECTORS AND APPROVE EACH OF THE PROPOSALS?

The proposed resolutions will be put to vote on a poll. This results in a more accurate reflection of the views of shareholders ensuring that votes by proxy will be fully-counted. On a poll, each shareholder has one vote for every share held.

Proposals 1 to 10 are proposed as ordinary resolutions. On a poll, 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 is proposed as a special resolution. 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 results of the voting and any other information required by the U.K. Companies Act 2006 (the “Companies Act”) will be made available on our investor relations website located at www.veronapharma.com/investors as soon as reasonably practicable following the AGM and for the required period thereafter.

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 AGM, along with the Board’s voting recommendations.

Proposal	Description of Proposal	Board’s Recommendation
1	To re-elect David Ebsworth, Ph.D. as a director of the Company	FOR
2	To re-elect Martin Edwards, M.D. as a director of the Company	FOR
3	To re-elect Sven Anders Ullman, M.D., Ph.D. as a director of the Company	FOR
4	To re-elect Lisa Deschamps as a director of the Company	FOR
5	To receive and adopt the 2020 U.K. Annual Report	FOR
6	To receive and approve, as a non-binding advisory resolution, the U.K. statutory Directors’ Remuneration Report	FOR
7	To receive and approve the U.K. Directors’ Remuneration Policy	FOR
8	To re-appoint PwC as the Company’s auditors, to hold office until the conclusion of the next annual general meeting of shareholders	FOR
9	To authorize the Audit and Risk Committee to determine the auditors’ remuneration for the year ending December 31, 2021	FOR
10	To authorize the Board of Directors to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £24,415,222.30	FOR
11	To authorize the Board of Directors to allot equity securities for cash and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Companies Act does not apply to any such allotment	FOR

WHAT CONSTITUTES A QUORUM?

Under our Articles of Association, a quorum will be present if two shareholders of the Company entitled to vote are present in person or represented by proxy at the AGM. In addition, we will require a quorum of at least 33 1/3% in number of the issued shares (excluding any shares held as treasury shares) entitled to vote on the business to be transacted at the AGM, consistent with the Nasdaq Stock Market LLC (“Nasdaq”) rules applicable to us as a U.S. domestic registrant.

If you are a shareholder of record of voting ordinary shares, your shares will be counted towards the quorum only if you are present in person or represented by proxy at the AGM. If you are a beneficial owner of voting 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 AGM. If a form of proxy does not instruct the proxy how to vote or indicates “discretion” with respect to a proposal, the proxy will vote in accordance with the Board of Directors’ recommendations, and the member represented by that proxy at the AGM will be counted towards the quorum requirement. For any other resolution put to the AGM, the proxy may vote or abstain from voting as he or she sees fit. A member represented by a proxy at the AGM will be counted towards the quorum requirement even where the proxy abstains from voting.

If there is no quorum, within 15 minutes from the time appointed for holding the AGM the AGM will stand adjourned to such time, date and place as may be fixed by the chairperson of the AGM.

HOW DO I VOTE MY SHARES?

If you are an ordinary “shareholder of record,” 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.

All proxies must be received by the Company Secretary no later than 1:00 p.m. British Summer Time (8:00 a.m. Eastern Time) on April 23, 2021, or if the AGM is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day which is not a working day). ADS voting instructions submitted by ADS holders must be received by Citibank, N.A. no later than 10:00 a.m. Eastern Time on April 21, 2021.

You are strongly encouraged to appoint the Chairman of the AGM as your proxy. If you appoint any person other than the Chairman of the AGM as your proxy, that person will not be able to vote your shares at the AGM.

If you properly give instructions as to your proxy appointment by executing and returning a form of proxy 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 will be voted by the person that you appoint as your proxy in accordance with the Board of Directors’ recommendations. For any other resolution put to the AGM, the proxy may vote or abstain from voting as he or she sees fit.

In accordance with the terms of the deposit agreement by and among the Company, Citibank, N.A. as depositary and holders and beneficial owners of ADSs issued thereunder dated as of May 2, 2017 (the “Deposit Agreement”), holders of ADSs as of 5:00 p.m. Eastern Time on the ADS Record Date who do not provide the depositary bank with voting instructions on or before the ADS Voting Cut-Off Time will be deemed to have instructed the depositary bank to give a discretionary proxy to a person designated by the Company to vote the underlying ordinary shares at the AGM, and such shares will be voted in accordance with the Board of Directors’ recommendations.

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 AGM in several ways by:

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

Ordinarily a shareholder would also be able to revoke his or her proxy by voting in person at the AGM. However, as a result of restrictions on movement and gatherings imposed by the UK Government in response to the COVID-19 pandemic, ordinary shareholders will not be allowed to attend the AGM in person. Accordingly, we will hold the AGM electronically as a telephone meeting. **You will not be able to vote your shares at the AGM via teleconference.**

If your ordinary shares are held in an account at a brokerage firm, bank or similar organization, to change or revoke your voting instructions you will need to contact the broker, bank or other nominee holding the shares. ADS holders may change or revoke their voting instructions by contacting Citibank, N.A. See also “What if I plan to attend the AGM?”

WHO COUNTS THE VOTES?

Our Company Secretary will tabulate shareholder votes. If you are an ordinary shareholder of record, you can return your executed form of proxy to the Company Secretary, Verona Pharma plc, c/o Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, EC3V 0HR by hand or by post, or by email to ben.harber@shma.co.uk in accordance with the instructions printed thereon for tabulation (see instructions on the form of proxy).

If you hold your ordinary shares through a broker, your broker will return the form of proxy to the Company Secretary.

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

HOW ARE VOTES COUNTED?

Votes will be counted by the Company Secretary, who will separately count “for” and “against” votes, and “votes withheld”. A “vote withheld” is not a vote in law and represents a shareholder’s affirmative choice to decline to vote on a proposal. Votes withheld are counted as present and entitled to vote for purposes of determining a quorum. Votes withheld have no effect on the proposals.

As described above, in accordance with the terms of the Deposit Agreement, holders of ADSs as of 5:00 p.m. Eastern Time on the ADS Record Date who do not provide the depository bank with voting instructions on or before the ADS Voting Cut-Off Time will be deemed to have instructed the depository bank to give a discretionary proxy to a person designated by the Company to vote the underlying ordinary shares at the AGM. Accordingly, we do not expect any broker non-votes on any of the proposals.

HOW MANY VOTES DO I HAVE?

On a poll, each shareholder present in person or by proxy or, in the case of a corporation, by a duly authorized representative has one vote for each share held by the shareholder.

WHAT IF I PLAN TO ATTEND THE AGM?

In normal circumstances, attendance at the AGM would be limited to ordinary shareholders of record as of 1:00 p.m. British Summer Time (8:00 a.m. Eastern Time) on April 23, 2021. However, as a result of restrictions on movement and gatherings imposed by the UK Government in response to the COVID-19 pandemic, ordinary shareholders will not be allowed to attend the AGM in person. Accordingly, we will hold the AGM electronically as a telephone meeting. You will be able to attend the AGM via teleconference by calling +1-888-317-6003 (for United States callers) or +1-412-317-6061 (for international callers) and providing conference ID 2027253, as well as your name and your affiliation (if any). We encourage you to access the AGM teleconference prior to the start time. Check-in will begin at 12:45 p.m. British Summer Time (7:45 a.m. Eastern Time), and you should allow ample time for the check-in procedures.

WILL THERE BE A QUESTION AND ANSWER SESSION DURING THE AGM?

As part of the AGM, we will hold a live Q&A session, during which we intend to answer questions submitted in advance or during the meeting that are pertinent to the Company and the meeting matters, as time permits. Each shareholder is limited to no more than two questions. Questions should be succinct and only cover a single topic. We will not address questions that are, among other things:

- irrelevant to the business of the Company or to the business of the AGM;
- related to material non-public information of the Company, including the status or results of our business since our last Quarterly Report on Form 10-Q;
- related to any pending, threatened or ongoing litigation;
- related to personal grievances;

- derogatory references to individuals or that are otherwise in bad taste;
- substantially repetitious of questions already made by another shareholder;
- in excess of the two question limit;
- in furtherance of the shareholder's personal or business interests; or
- out of order or not otherwise suitable for the conduct of the AGM as determined by the Chairman in his reasonable judgment.

Where it is not possible to answer any of the questions submitted prior to and during the AGM, the Company will endeavor to respond to those questions after the meeting.

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 will reimburse Citibank, N.A. for their expenses in sending materials, including ADS voting instructions, 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 AGM?

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

HOW CAN I FIND OUT THE RESULTS OF THE VOTING AT THE AGM?

Voting results will be announced by the filing of a Current Report on Form 8-K with the SEC within four business days after the AGM. 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.

Proposals to be Voted On

PROPOSAL 1

To re-elect David Ebsworth, Ph.D. as a Director of the Company

David Ebsworth, Ph.D., 66, 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 such annual general meeting of shareholders where he must retire by rotation and offer himself for re-election in accordance with the Articles, or until his earlier death, resignation or removal. Dr. Ebsworth has agreed to serve if elected, and we have no reason to believe that he will be unable to serve.

Dr. Ebsworth has served as the Non-Executive Chairman of our Board of directors since December 2014. Dr. Ebsworth has served as a Visiting Professor at the University of Surrey Business School since April 2016. From October 2009 to August 2014, Dr. Ebsworth served as Chief Executive Officer of Vifor Pharma, the specialty pharma division of Galenica AG Group, a pharmaceutical wholesaler and retailer, and as a member of Galenica's Executive Committee. In 2012, Dr. Ebsworth was also named as Chief Executive Officer of Galenica and as Chairman of Galenica's Executive Committee, positions he held until August 2014. From 2009 to 2014, he was the Chief Executive Officer of Vifor Pharma AG, a pharmaceutical company. In his earlier career, Dr. Ebsworth worked with Bayer AG for over 19 years, heading the Canadian, North

American and global pharmaceutical business. He also served as Chief Executive Officer of Oxford Glycosciences, a biotech company, listed on the London Stock Exchange and Nasdaq, which was acquired by Celltech plc (now part of UCB, a global biopharmaceutical company) in 2003. Dr. Ebsworth received a B.Sc. and a Ph.D. in industrial relations from the University of Surrey. We believe that Dr. Ebsworth's extensive experience in the pharmaceuticals industry and his extensive leadership experience qualify him to serve on our Board of Directors.

VOTE REQUIRED

This proposal requires approval 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 proposal. Withheld votes are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote on this proposal.

RECOMMENDATION OF THE BOARD OF DIRECTORS



The Board of Directors unanimously recommends a vote FOR the re-election of David Ebsworth, Ph.D. as a Director of the Company

PROPOSAL 2

To re-elect Martin Edwards, M.D. as a Director of the Company

Martin Edwards, M.D., 65, 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 such annual general meeting of shareholders where he must retire by rotation and offer himself for re-election in accordance with the Articles, or until his earlier death, resignation or removal. Dr. Edwards has agreed to serve if elected, and we have no reason to believe that he will be unable to serve.

Dr. Edwards has served as a Non-Executive Director on our Board of Directors since April 2019. From 2003 to September 2020, Dr. Edwards held various positions at Novo Ventures, a life sciences investment firm, most recently as Senior Partner. Earlier in his career, he was Corporate VP and Global Head of Drug Development for Novo Nordisk, where he led all aspects of pre-clinical and clinical drug development. Dr. Edwards currently serves on the boards of directors of Inozyme Pharma, KalVista Pharmaceuticals, Reata Pharmaceuticals, and Morphic Therapeutics, and previously served on the board of directors of CoLucid Pharmaceuticals from August 2014 to January 2017. Dr. Edwards trained in physiology and medicine at the University of Manchester. He is a Member of the Royal College of Physicians, a Member with distinction of the Royal College of General Practitioners, a Fellow of the Faculty of Pharmaceutical Medicine. He received his B.Sc. in physiology and MBChB in medicine from the University of Manchester and his M.B.A from the University of Warwick. We believe that Dr. Edward's extensive experience in the pharmaceuticals industry and his experience in serving on the boards of public and private companies qualify him to serve on our Board of Directors.

VOTE REQUIRED

This proposal requires approval 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 proposal. Withheld votes are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote on this proposal.

RECOMMENDATION OF THE BOARD OF DIRECTORS



The Board of Directors unanimously recommends a vote FOR the re-election of Martin Edwards, M.D. as a Director of the Company

PROPOSAL 3

To re-elect Sven Anders Ullman, M.D., Ph.D. (known as "Anders Ullman") as a Director of the Company

Anders Ullman, M.D., Ph.D., 65, 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 such

annual general meeting of shareholders where he must retire by rotation and offer himself for re-election in accordance with the Articles, or until his earlier death, resignation or removal. Dr. Ullman has agreed to serve if elected, and we have no reason to believe that he will be unable to serve.

Dr. Ullman has served as a Non-Executive Director on our Board of Directors since September 2015. From September 2015 to December 2018, Dr. Ullman served as Head of the chronic obstructive pulmonary disease (“COPD”) Centre at Sahlgrenska University Hospital, Sweden. From 2013 to 2014, he was Executive Vice President and Head of Research and Development in the BioScience business unit of Baxter International Inc., a healthcare company, which became Baxalta Inc. From 2007 to 2013, Dr. Ullman was Executive Vice President, Head of Research and Development at Nycomed Pharma Private Limited (now part of Takeda Pharmaceuticals Company Limited), where he led the development and approval of Daxas, the PDE4 inhibitor used to prevent COPD exacerbations. Earlier in his career, he held a number of roles in AstraZeneca. Dr. Ullman served on the board of directors of Pexa AB, a company that develops and commercializes respiratory medicine technology, from January 2016 to May 2018. Dr. Ullman received a M.D. and a Ph.D. in clinical pharmacology from the University of Gothenburg. We believe that Dr. Ullman’s extensive experience in the healthcare and pharmaceuticals industries qualify him to serve on our Board of Directors.

VOTE REQUIRED

This proposal requires approval 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 proposal. Withheld votes are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote on this proposal.

RECOMMENDATION OF THE BOARD OF DIRECTORS



The Board of Directors unanimously recommends a vote FOR the re-election of Anders Ullman, M.D., Ph.D. as a Director of the Company

PROPOSAL 4

To re-elect Lisa Deschamps as a Director of the Company

Lisa Deschamps, 49, is currently a member of our Board of Directors and has been nominated for re-election as a director. If elected, she will hold office from the date of her election until such annual general meeting of shareholders where she must retire by rotation and offer herself for re-election in accordance with the Articles, or until her earlier death, resignation or removal. Ms. Deschamps has agreed to serve if elected, and we have no reason to believe that she will be unable to serve.

Lisa Deschamps has served as a Non-Executive Director on our Board of Directors since March 2021. Since December 1995, Ms. Deschamps has served in various roles at Novartis Pharmaceuticals, a global healthcare company, most recently since September 2019 as the Senior Vice President & Chief Business Officer of AveXis, a biotechnology company that develops treatments for rare neurological genetic disorders, a subsidiary of Novartis and which was renamed Novartis Gene Therapies in September 2020. Lisa has an M.B.A. in General Management from NYU Stern School of Business and a B.B.A. in marketing from IONA College, Hagan School of Business. We believe that Ms. Deschamps’s extensive leadership experience in the healthcare industry qualify her to serve on our Board of Directors.

VOTE REQUIRED

This proposal requires approval 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 proposal. Withheld votes are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote on this proposal.

RECOMMENDATION OF THE BOARD OF DIRECTORS



The Board of Directors unanimously recommends a vote FOR the re-election of Lisa Deschamps as a Director of the Company

Our Board of Directors

Our Board of Directors currently consists of ten members, including one executive director and nine non-executive directors.

Our Articles of Association require that those directors who were appointed by the Board since our 2020 annual general meeting of shareholders must retire from office and may offer themselves for re-election. Accordingly, Lisa Deschamps will retire from office and offer herself for re-election by our shareholders at the AGM.

In accordance with our Articles of Association, one-third (or such number nearest to but not exceeding one-third) of the Company's directors retire from office at every annual general meeting of shareholders. Retiring directors are eligible for re-election and, if no other director is elected to fill his or her position and the director is willing, shall be re-elected by default. The directors to retire at the annual general in every year shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself or herself for re-election. Any further directors so to retire shall be the directors who have been longest in office since their last election. As between directors of equal seniority, the directors to retire shall in the absence of agreement be selected from among them by lot. Of the nine directors subject to retirement by rotation, David Ebsworth, Ph.D., Martin Edwards, M.D. and Anders Ullman, M.D., Ph.D. 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 Lisa Deschamps, David Ebsworth, Ph.D., Martin Edwards, M.D. and Anders Ullman, M.D., Ph.D. with the support of the Nomination and Corporate Governance Committee, our Board of Directors is satisfied that their performance continues to be effective and that they continue to demonstrate commitment to their roles. The Board of Directors considers that it is entirely appropriate for each of Ms. Deschamps, Dr. Ebsworth, Dr. Edwards and Dr. Ullman 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 ten members, including one executive director and nine non-executive directors.

The following table sets forth information regarding our directors as of the date of this proxy statement:

Name	Age	Director Since	Position(s)
David Zaccardelli, Pharm.D.	56	2020	Chief Executive Officer and Director
David Ebsworth, Ph.D.	66	2014	Non-Executive Chairman of the Board of Directors
Martin Edwards, M.D.	65	2019	Non-Executive Director
Ken Cunningham, M.D.	68	2015	Non-Executive Director
Lisa Deschamps	49	2021	Non-Executive Director
Rishi Gupta	43	2016	Non-Executive Director
Mahendra Shah, Ph.D.	76	2016	Non-Executive Director
Andrew Sinclair, Ph.D.	49	2016	Non-Executive Director
Vikas Sinha	57	2016	Non-Executive Director
Anders Ullman, M.D., Ph.D.	65	2015	Non-Executive Director

Biographical information for Dr. David Ebsworth, Dr. Martin Edwards, Dr. Anders Ullman and Ms. Lisa Deschamps, nominees to our Board of Directors, is set forth in "Proposal 1 — To re-elect David Ebsworth, Ph.D. as a Director of the Company," "Proposal 2 — To re-elect Martin Edwards, Ph.D. as a Director of the Company," "Proposal 3 — To re-elect Anders Ullman, M.D., Ph.D. as a Director of the Company," and "Proposal 4 — To re-elect Lisa Deschamps as a Director of the Company," respectively. Biographical information for our other directors is set forth below under "Continuing Members of the Board of Directors."

CONTINUING MEMBERS OF THE BOARD OF DIRECTORS

Below is biographical information for those directors who are not standing for re-election at AGM and who will continue on the Board of Directors following the AGM:

David Zaccardelli, Pharm.D. Dr. Zaccardelli has served as our President and Chief Executive Officer and on our Board of Directors since February 2020. From December 2018 until its acquisition by Swedish Orphan Biovitrum in November 2019, Dr. Zaccardelli served as President and CEO of Dova Pharmaceuticals, a U.S. company developing therapeutics for rare diseases. Previously, he was Acting CEO of Cemptra Pharmaceuticals, a pharmaceuticals company, from December 2016 until the company's merger with Melinta Therapeutics in November 2017. From 2004 until 2016, Dr. Zaccardelli served in several senior management roles at United Therapeutics Corporation, a biotechnology company, including as Chief Operating Officer, Chief Manufacturing Officer and Executive Vice President, Pharmaceutical Development and Operations. Prior to United Therapeutics, he founded and led a start-up company focused on contract research positions and held a variety of clinical research positions at Burroughs Wellcome & Co, a non-profit medical research organization, and pharmaceutical companies Glaxo Wellcome and Bausch & Lomb Pharmaceutical. Dr. Zaccardelli received a Pharm.D. from the University of Michigan. We believe that Dr. Zaccardelli's extensive leadership experience in the pharmaceutical industry qualify him to serve on our Board of Directors.

Ken Cunningham, M.D. Dr. Cunningham has served as a Non-Executive Director on our Board of Directors since September 2015. Dr. Cunningham has over 30 years' experience in the pharmaceutical industry including leadership roles at several companies focused on developing respiratory medicines. Between 2006 and 2010, he was at SkyePharma plc, a pharmaceutical company that is now part of Vectura Group plc, initially as Chief Operating Officer and subsequently as Chief Executive Officer where he was involved in the late-stage development of flutiform for asthma. Prior to that, he was the Chief Executive Officer of Arakis Ltd., a pharmaceutical company, from 2001 to 2005, where he was involved in the early clinical development of glcopyrronium bromide, now marketed as Seebri for chronic obstructive pulmonary disease. Earlier in his career, Dr. Cunningham held a variety of clinical development and commercial strategy roles at pharmaceutical companies GlaxoWellcome plc and Warner-Lambert. Dr. Cunningham currently serves as the non-executive chairman of the board of directors of Medherant Ltd. He also serves as a non-executive director of Abzena Holdings (US) LLC, of which he was non-executive chairman from October 2018 to January 2021, and also previously served on the board of directors of Abzena plc from June 2010 to October 2018. Dr. Cunningham received an M.B.B.S. from St. Mary's, Imperial College, London University. We believe that Dr. Cunningham's extensive leadership experience in the pharmaceutical industry qualifies him to serve on our Board of Directors.

Rishi Gupta. Mr. Gupta has served as a Non-Executive Director on our Board of Directors since July 2016. Mr. Gupta was designated for appointment to our Board of Directors by OrbiMed Private Investments VI, LP, or OrbiMed, pursuant to our relationship agreement with OrbiMed. Although such agreement automatically terminated in connection with our delisting from AIM, Mr. Gupta continues to serve as a Non-Executive Director. Since 2002, Mr. Gupta has held various positions at OrbiMed Advisors LLC, an investment firm, where he is currently a Partner. Prior to OrbiMed Advisors LLC, Mr. Gupta was a healthcare investment banker at Raymond James & Associates, served as manager of corporate development at Veritas Medicine, and was a summer associate at Wachtell, Lipton, Rosen & Katz. Mr. Gupta previously served on the board of directors of Dimension Therapeutics, Inc. and currently serves on the boards of directors of several private companies. Mr. Gupta received an A.B. in biochemical sciences from Harvard College and a J.D. from Yale Law School. We believe Mr. Gupta's experience in the medical technology field and his experience serving on the boards of public and private companies qualify him to serve on our Board of Directors.

Mahendra Shah, Ph.D. Dr. Shah has served as a Non-Executive Director on our Board of Directors since July 2016. Dr. Shah was designated for appointment to our Board of Directors by funds affiliated with Vivo Capital, a healthcare investment firm, pursuant to a relationship agreement that we entered into with such funds in June 2016. Although such agreement automatically terminated on the closing of the 2020 Private Placement, Dr. Shah continues to serve as a Non-Executive Director. Dr. Shah has served as a Senior Fellow of Vivo Capital since January 2021, where he previously served as Managing Director from March 2010 to January 2021. He previously served as a member of the board of directors of Homology

Medicines, Soleno Therapeutics, and Crinetics Pharmaceuticals, and currently serves as a member of the boards of directors of several private companies in the biopharmaceutical and biotechnology industries. Dr. Shah received his Ph.D. in industrial pharmacy from St. John's University and his Bachelor's and Master's Degrees in Pharmacy from L.M. College of Pharmacy in Gujarat, India. We believe Dr. Shah's experience in the biomedical and pharmaceutical industries and his experience in serving on the boards of public and private companies qualify him to serve on our Board of Directors.

Andrew Sinclair, Ph.D. Dr. Sinclair has served as a Non-Executive Director on our Board of Directors since July 2016. Dr. Sinclair was designated for appointment to our Board of Directors by Abingworth Bioventures VI, LP, or Abingworth, pursuant to a relationship agreement that we entered into with Abingworth in June 2016. Although such agreement automatically terminated on the closing of the 2020 Private Placement, Dr. Sinclair continues to serve as a Non-Executive Director. Since 2008, Dr. Sinclair has held various positions at Abingworth LLP, a life sciences investment group, where he is currently a Partner and Portfolio Manager, a role he has held since December 2015. He has served as a member of the boards of directors of Soleno Therapeutics since December 2018 and Sierra Therapeutics since November 2019. Dr. Sinclair is a member of the Institute of Chartered Accountants in England and Wales and received a Ph.D. in chemistry and genetic engineering at the BBSRC Institute of Plant Science, Norwich, and a B.Sc. in microbiology from King's College London. We believe Dr. Sinclair's experience as a finance professional in the biomedical and pharmaceutical industries qualify him to serve on our Board of Directors.

Vikas Sinha. Mr. Sinha has served as a Non-Executive Director on our Board of Directors since September 2016. Mr. Sinha has over 20 years' experience working in executive finance roles in the life sciences industry. Mr. Sinha is co-founder and has served as the Chief Financial Officer of ElevateBio, Inc., a holding company focused on building cell and gene therapy companies, since February 2018. He has served as President and Chief Financial Officer of AlloVir, Inc., an ElevateBio portfolio company, from September 2018. From September 2005 to December 2016, Mr. Sinha was the Chief Financial Officer of Alexion Pharmaceuticals, Inc., a biotechnology company, where he was responsible for finance, business development, strategy, investor relations and IT. Prior to joining Alexion, Mr. Sinha held various positions with Bayer AG, a pharmaceuticals company, in the United States, Japan, Germany and Canada, including Vice President and Chief Financial Officer of Bayer Pharmaceuticals Corporation in the United States and Vice President and Chief Financial Officer of Bayer Yakuhin Ltd. In Japan. He currently serves as a member of the board of directors of AlloVir and BCLS Acquisition Corp. Mr. Sinha holds a Bachelor of Commerce degree from Tribhuvan University and an M.B.A. from the Asian Institute of Management. He is also a qualified Chartered Accountant from the Institute of Chartered Accountants of India and a Certified Public Accountant in the United States. We believe Mr. Sinha's experience as a finance professional in the life science industry qualifies him to serve on our Board of Directors.

PROPOSAL 5

To receive and adopt the 2020 U.K. Annual Report

The Companies Act requires the directors of a public company to lay before the company in general meeting copies of the directors' reports, the independent auditors' report and the audited financial statements of the company in respect of each financial year.

At the AGM, our Board of Directors will present our U.K. statutory annual accounts and Directors' reports for the year ended December 31, 2020 and the report of the auditors thereon (the "2020 U.K. Annual Report"). We will provide our shareholders with an opportunity to receive our 2020 U.K. Annual Report and to adopt it.

In accordance with best practice, the Company proposes an ordinary resolution to receive and adopt the 2020 U.K. Annual Report.

The 2020 U.K. Annual Report is appended as Annex A to this proxy statement and may also be found on our investor relations website located at www.veronapharma.com/investors.

VOTE REQUIRED

This proposal requires approval 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 proposal. Withheld votes are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote on this proposal.

RECOMMENDATION OF THE BOARD OF DIRECTORS



The Board of Directors unanimously recommends a vote FOR the receipt and adoption of the 2020 U.K. Annual Report

PROPOSAL 6

To receive and approve, as a non-binding advisory resolution, the U.K. statutory Directors' Remuneration Report

At the AGM, our Board of Directors will present our U.K. statutory Directors' Remuneration Report for the year ended December 31, 2020, as set out on pages 28 to 46 of the 2020 U.K. Annual Report appended as Annex A to this proxy statement. The U.K. statutory 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 of the Board of Directors (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 AGM, the shareholders will vote on the Director's Remuneration Report. 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 AGM, and as required under English law, the Directors' Remuneration Report will be delivered to the U.K. Registrar of Companies.

VOTE REQUIRED

This proposal requires approval 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 proposal. Withheld votes are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote on this proposal.

RECOMMENDATION OF THE BOARD OF DIRECTORS



The Board of Directors unanimously recommends a vote FOR the receipt and approval, as a non-binding advisory resolution, of the U.K. statutory Directors' Remuneration Report

PROPOSAL 7

To receive and approve the U.K. Directors' Remuneration Policy

At the AGM, our Board of Directors will present our U.K. statutory Directors' Remuneration Policy as set out on pages 38 to 46 of the 2020 U.K. Annual Report appended as Annex A to this proxy statement, which, if approved, will take effect upon conclusion of the AGM.

Our Directors' Remuneration Policy is used to determine the remuneration of our directors, including our President and Chief Executive Officer (our sole executive director). The policy has as its key objectives the engagement and retention of high-caliber directors with the requisite experience and knowledge. The original remuneration policy was approved by the shareholders at our 2018 annual general meeting. As set out on pages 38 to 46 of the 2020 U.K. Annual Report appended as Annex A to this proxy statement, we submit our new proposed remuneration policy, the aim of which is to enable the Company to offer remuneration packages that are designed to promote the long-term success of the Company. The policy, as proposed, is substantively the same as the original remuneration policy, as our Board of Directors and Remuneration Committee consider that the original remuneration policy continues to be appropriate and fit for purpose, with the key changes being the ability for the Directors' base remuneration to be paid in a combination of cash and equity and for remuneration to be benchmarked against a relevant group of life sciences companies, many of whom are listed on Nasdaq, rather than companies listed on the AIM stock exchange or other European stock exchanges. The Remuneration Committee is committed to reviewing the

policy on an ongoing basis in order to ensure that it remains effective and competitive. Our Board of Directors has approved the Directors' Remuneration Policy and believes it is effective to achieve its objectives. The Directors' Remuneration Policy, if approved, will take effect immediately upon conclusion of the AGM.

VOTE REQUIRED

This proposal requires approval 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 proposal. Withheld votes are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote on this proposal.

RECOMMENDATION OF THE BOARD OF DIRECTORS



The Board of Directors unanimously recommends a vote FOR the receipt and adoption of the U.K. Directors' Remuneration Policy

PROPOSAL 8

To re-appoint PwC as the Company's auditors, to hold office until the conclusion of the next annual general meeting of shareholders

At each meeting at which the accounts are laid before shareholders, the Company is required to appoint U.K. statutory auditors to serve until the next such meeting of shareholders. Proposal 8 seeks your approval of the re-appointment of PricewaterhouseCoopers LLP ("PwC"), to serve as our U.K. statutory auditor, to hold office until the conclusion of the next annual general meeting of shareholders. In the event this proposal does not receive approval 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 proposal, the Board of Directors may appoint an auditor to fill the vacancy.

PwC has indicated its willingness to act as the Company's auditors. A representative of PwC is expected to be present at the AGM and will have an opportunity to make a statement if he or she desires to do so and to respond to appropriate questions from our shareholders.

VOTE REQUIRED

This proposal requires approval 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 proposal. Withheld votes are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote on this proposal.

RECOMMENDATION OF THE BOARD OF DIRECTORS



The Board of Directors unanimously recommends a vote FOR the re-appointment of PwC as the Company's auditor

Report of the Audit Committee of the Board of Directors

The Audit and Risk Committee of the Board ("Audit Committee") has reviewed the audited consolidated financial statements of Verona Pharma plc (the "Company") for the fiscal year ended December 31, 2020 and has discussed these financial statements with management and the Company's independent registered public accounting firm. The Audit Committee has also received from, and discussed with, the Company's independent registered public accounting firm various communications that such independent registered public accounting firm is required to provide to the Audit Committee, including the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the Securities and Exchange Commission.

The Company's independent registered public accounting firm also provided the Audit Committee with a formal written statement required by PCAOB Rule 3526 (Communications with Audit Committees

Concerning Independence) describing all relationships between the independent registered public accounting firm and the Company, including the disclosures required by the applicable requirements of the PCAOB regarding the independent registered public accounting firm’s communications with the Audit Committee concerning independence. In addition, the Audit Committee discussed with the independent registered public accounting firm its independence from the Company.

Based on its discussions with management and the independent registered public accounting firm, and its review of the representations and information provided by management and the independent registered public accounting firm, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Vikas Sinha (Chair)
David Ebsworth, Ph.D.
Andrew Sinclair, Ph.D.

Independent Registered Public Accounting Firm Fees

The following table summarizes the fees of PwC, our independent registered public accounting firm, billed to us for each of the last two fiscal years for audit services and billed to us in each of the last two fiscal years for other services:

Fee Category	2020	2019
Audit Fees	\$318,000	\$188,000
Audit-Related Fees	\$348,000	\$ 66,000
Tax Fees	—	—
All Other Fees	\$198,000	\$ 85,000
Total Fees	\$864,000	\$339,000

Audit Fees

Audit fees for the years ended December 31, 2020 and 2019, consisted of fees billed for the audit of Verona Pharma plc and its consolidated financial statements.

Audit-Related Fees

For the year ended December 31, 2020, audit-related services include fees for quarterly interim reviews and the audit of conversion from International Financial Reporting Standards to U.S. Generally Accepted Accounting Principles for SEC filings.

For the year ended December 31, 2019, audit-related services include fees for quarterly interim reviews.

All Other Fees

For the year ended December 31, 2020, other services related to advice relating to fund raising and certain regulatory filings.

For the year ended December 31, 2019, other services related to a review of the Company’s F-3 shelf registration statement.

Audit Committee Pre-Approval Policy and Procedures

The Audit Committee has adopted a policy (the “Pre-Approval Policy”) which sets forth the procedures and conditions pursuant to which audit and non-audit services proposed to be performed by the independent auditor may be pre-approved. The Pre-Approval Policy generally provides that we will not engage PwC to render any audit, audit-related, tax or permissible non-audit service unless the service is either (i) explicitly approved by the Audit Committee (“specific pre-approval”) or (ii) entered into pursuant to the pre-approval policies and procedures described in the Pre-Approval Policy (“general pre-approval”). Unless a type of

service to be provided by PricewaterhouseCoopers LLP has received general pre-approval under the Pre-Approval Policy, it requires specific pre-approval by the Audit Committee or by a designated member of the Audit Committee to whom the committee has delegated the authority to grant pre-approvals. Any proposed services exceeding pre-approved cost levels or budgeted amounts will also require specific pre-approval. For both types of pre-approval, the Audit Committee will consider whether such services are consistent with the SEC's rules on auditor independence. The Audit Committee will also consider whether the independent auditor is best positioned to provide the most effective and efficient service, for reasons such as its familiarity with our business, people, culture, accounting systems, risk profile and other factors, and whether the service might enhance our ability to manage or control risk or improve audit quality. All such factors will be considered as a whole, and no one factor should necessarily be determinative. On an annual basis, the Audit Committee reviews and generally pre-approves the services (and related fee levels or budgeted amounts) that may be provided by PricewaterhouseCoopers LLP without first obtaining specific pre-approval from the Audit Committee. The Audit Committee may revise the list of general pre-approved services from time to time, based on subsequent determinations.

PROPOSAL 9

To authorize the Audit and Risk Committee to determine the auditors' remuneration for the year ending December 31, 2021

Proposal 9 authorizes the Audit Committee to determine our auditors' remuneration for the fiscal year ending December 31, 2021. Fees for PwC in respect of the years ended December 31, 2020 and December 31, 2019, are set forth above under "*Independent Registered Public Accounting Firm Fees and Other Matters.*"

VOTE REQUIRED

This proposal requires approval 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 proposal. Withheld votes are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote on this proposal.

RECOMMENDATION OF THE BOARD OF DIRECTORS



The Board of Directors unanimously recommends a vote FOR authorization of the Audit Committee to determine PwC's remuneration for the year ending December 31, 2021

PROPOSAL 10

To authorize the Board of Directors to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £24,415,222.30.

To authorize the Board of Directors generally and unconditionally for the purposes of Section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £24,415,222.30 to such persons at such times and upon such conditions as the directors may determine (subject to the Company's Articles of Association).

This authority will replace any existing authorities to the extent not utilized at the date this resolution is passed and will, unless previously renewed, revoked or varied by the Company in general meeting, expire on June 1, 2022, provided that the Company may, at any time before such expiry, make an offer or enter into an agreement that would or might require shares to be allotted or Rights to be granted after such expiry and the Board of Directors may allot such shares or grant Rights pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

VOTE REQUIRED

This proposal requires approval 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 proposal. Withheld votes are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote on this proposal.

RECOMMENDATION OF THE BOARD OF DIRECTORS



The Board of Directors unanimously recommends a vote FOR the authorization of Directors to exercise all the powers to the Company to allot shares in the Company or grant Rights up to an aggregate nominal amount of £24,415,222.30

PROPOSAL 11

To authorize the Board of Directors to allot equity securities for cash and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Companies Act does not apply to any such allotment

As a U.K.-incorporated company, the Company's ordinary shareholders are entitled, under Section 561(1) of the Companies Act, to pre-emption rights, whereby, in the event that the Company wishes to allot new equity securities for cash, those securities must first be offered to existing shareholders in proportion to the number of ordinary shares they each hold before they can be offered to new shareholders.

Subject to and conditioned upon the passing of Proposal 10 above, this Proposal 11 authorizes the Board of Directors pursuant to Section 570 and 573 of the Companies Act to allot equity securities (as defined in Section 560 of the Companies Act) for cash pursuant to the authority conferred by Proposal 10 above and/or to sell ordinary shares held by the Company as treasury shares for cash, as if Section 561(1) of the Companies Act did not apply to any such allotment or sale, provided that this power will be limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £24,415,222.30, will replace any existing disapplication of Section 561 of the Companies Act to the extent not utilized at the date this resolution is passed and will expire on June 1, 2022, unless previously renewed, varied or revoked by the Company in general meeting, provided that the Company may, before such expiry, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted or treasury shares to be sold after this authority expires and that the Directors may allot shares in the Company or grant rights or sell treasury shares pursuant to such an offer or agreement as if the authority conferred by this resolution had not expired.

The Board of Directors considers that, at this stage of the development of the Company, the ability to raise new equity funds at relatively short notice and at low cost is vital to the continuing financial health of the business. We believe that it is in the best interests of the Company and our shareholders for the Board of Directors to seek to retain the ability to readily raise new equity funds at the appropriate time.

Anti-takeover Effects of Proposal 11

Release No. 34-15230 of the staff of the SEC requires disclosure and discussion of the effects of any action that may be used as an anti-takeover mechanism. Because this Proposal 11, if approved, will authorize the Board of Directors to allot new equity securities for cash without first offering them to existing shareholders, it could, under certain circumstances, have an anti-takeover effect, although this is not the purpose or intent of our Board of Directors. A relative increase in the number of our issued shares offered to new shareholders could enable the Board to render more difficult or discourage an attempt by a party attempting to obtain control of the Company. Moreover, the issuance of equity securities to persons friendly to the Board of Directors could make it more difficult to remove incumbent officers and directors from office even if such change were favorable to shareholders generally.

As stated above, the Company has no present intent to use any relative increase in the number of issued shares of our equity securities offered to new shareholders for anti-takeover purposes, and Proposal 11 is not part of a plan by the Board of Directors to adopt a series of anti-takeover provisions; however, if Proposal 11 is approved by the shareholders, then a greater number of our equity securities would be available for such purpose than is currently available. The Company is not aware of any pending or threatened efforts to obtain control of the Company, and the Board has no present intent to authorize the issuance of additional ordinary shares to discourage such efforts if they were to arise.

VOTE REQUIRED

This proposal requires approval 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 proposal. Votes withheld are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote on this proposal.

RECOMMENDATION OF THE BOARD OF DIRECTORS



The Board of Directors unanimously recommends a vote FOR the authorization of Directors to allot equity securities for cash and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Companies Act does not apply to any such allotment

Executive Officers

The following table identifies our current executive officers:

Name	Age	Position
David Zaccardelli, Pharm.D. ⁽¹⁾	56	President, Chief Executive Officer and Executive Director
Mark W. Hahn ⁽²⁾	58	Chief Financial Officer
Claire Poll ⁽³⁾	54	General Counsel
Kathleen Rickard, M.D. ⁽⁴⁾	62	Chief Medical Officer

- (1) See biography on page 11 of this proxy statement.
- (2) **Mark Hahn.** Mr. Hahn has served as our Chief Financial Officer since February 2020. From January 2018 until its acquisition by Swedish Orphan Biovitrum for up to \$915 million in November 2019, Mr. Hahn served as CFO of Dova Pharmaceuticals, a company developing therapeutics for rare diseases. Previously, from 2010 until its acquisition by Melinta Therapeutics in November 2017, Mr. Hahn was CFO of Cemptra, Inc. Mr. Hahn received a B.B.A. degree in Accounting and Finance from the University of Wisconsin-Milwaukee and is a Certified Public Accountant in Maryland and North Carolina.
- (3) **Claire Poll.** Ms. Poll has served as General Counsel since September 2016. From September 2015 to August 2016, Ms. Poll served as an advisor to us on legal, general corporate and financing matters. She also served as an Executive Director on our Board of Directors from September 2006 until September 2015. Ms. Poll received a Bachelor of Laws from the University of Western Australia and a Diploma in Applied Finance and Investment from the Securities Institute of Australia.
- (4) **Kathleen Rickard, M.D.** Dr. Rickard has served as our Chief Medical Officer since February 2019. Prior to joining Verona Pharma, Dr. Rickard served in multiple roles at Aerocrine AB, a medical diagnostics product company, including as Chief Medical Officer from April 2011 to January 2019, and as Chief Compliance Officer from April 2014 to January 2019. Prior to Aerocrine, Dr. Rickard was Vice President Clinical Development and Medical Affairs of the Respiratory Medicines Development Centre at GlaxoSmithKline, a pharmaceutical company, and, over a period of 15 years, held a number of other leadership positions in clinical development across GlaxoSmithKline's global respiratory franchise. Dr. Rickard received an M.D. from Hahnemann University Hospital, Philadelphia.

There are no family relationships among any of our executive officers or directors.

Corporate Governance

GENERAL

Our Board of Directors has adopted, among other policies, Corporate Governance Guidelines, a Code of Business Conduct and Ethics, an Insider Trading Compliance Policy, a Whistleblowing Policy and terms of reference for the Nomination and Corporate Governance Committee, Audit Committee, and Remuneration Committee to assist the Board in the exercise of its responsibilities and to serve as a framework for the effective governance of our Company. You can access our current committee terms of reference, our Corporate Governance Guidelines, Whistleblowing Policy and our Code of Business Conduct and Ethics in the "Corporate Governance" section of our investor relations website located at www.veronapharma.com/investors.

BOARD COMPOSITION

Our Board of Directors currently consists of ten members, including one executive director and nine non-executive directors.

Our Articles of Association require that those directors who were appointed by the Board since our 2020 annual general meeting of shareholders must retire from office and may offer themselves for re-election. Accordingly, Lisa Deschamps will retire from office and offer herself for re-election by our shareholders at the AGM.

In accordance with our Articles of Association, one-third (or such number nearest to but not exceeding one-third) of the Company's directors retire from office at every annual general meeting of shareholders. Retiring directors are eligible for re-election and, if no other director is elected to fill his or her position and the director is willing, shall be re-elected by default. The directors to retire at the annual general in every year shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself or herself for re-election. Any further directors so to retire shall be the directors who have been longest in office since their last election. As between directors of equal seniority, the directors to retire shall in the absence of agreement be selected from among them by lot. Of the nine directors subject to retirement by rotation, David Ebsworth, Ph.D., Martin Edwards, M.D. and Anders Ullman, M.D., Ph.D. 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 Lisa Deschamps, David Ebsworth, Ph.D., Martin Edwards, M.D. and Anders Ullman, M.D., Ph.D. with the support of the Nomination and Corporate Governance Committee, our Board of Directors is satisfied that their performance continues to be effective and that they continue to demonstrate commitment to their roles. The Board of Directors considers that it is entirely appropriate for each of Ms. Deschamps, Dr. Ebsworth, Dr. Edwards and Dr. Ullman 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 ten members, including one executive director and nine non-executive directors.

DIRECTOR INDEPENDENCE

All of our directors, other than David Zaccardelli, Pharm.D., qualify as "independent" in accordance with Nasdaq listing requirements. The Nasdaq independence definition includes a series of objective tests, including that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his or her family members has engaged in various types of business dealings with us. In addition, as required by Nasdaq rules, our Board of Directors has made a subjective determination as to each independent director that no relationships exist, which, in the opinion of our Board of Directors, 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, including that Mr. Gupta and Dr. Shah are affiliated with certain of our significant stockholders. Dr. Zaccardelli is not independent because he is the President and Chief Executive Officer of our Company. Jan-Anders Karlsson, Ph.D, our former President and Chief Executive Officer, did not qualify as independent during the period he served on our Board in 2020 until his departure on February 2, 2020.

DIRECTOR CANDIDATES

Director Nomination Process

The Nomination and Corporate Governance Committee is primarily responsible for searching for qualified director candidates for election to the Board and filling vacancies on the Board of Directors. To facilitate the search process, the Nomination and Corporate Governance Committee may solicit current directors and executives of the Company for the names of potentially qualified candidates or ask directors and executives to pursue their own business contacts for the names of potentially qualified candidates. The Nomination and Corporate Governance Committee may also consult with outside advisors or retain search firms to assist in the search for qualified candidates, or consider director candidates recommended by our shareholders. Once potential candidates are identified, the Nomination and Corporate Governance Committee reviews the backgrounds of those candidates, evaluates candidates' independence from the Company and potential conflicts of interest and determines if candidates meet the qualifications desired by the Nomination and Corporate Governance Committee for candidates for election as a director. Lisa Deschamps, a nominee for appointment to our Board of Directors, was identified and recommended as a potential candidate to serve on our Board of Directors by several of our non-executive directors.

In evaluating the suitability of individual candidates (both new candidates and current Board members), the Nomination and Corporate Governance Committee, in recommending candidates for election, and the Board of Directors, in approving (and, in the case of vacancies, appointing) such candidates, may take into account many factors, including but not limited to: personal and professional integrity, ethics and values; experience in corporate management, such as serving as an officer or former officer of a publicly held company; strong finance experience; relevant social policy concerns; experience relevant to the Company's industry; experience as a board member or executive officer of another publicly held company; relevant academic expertise or other proficiency in an area of the Company's operations; diversity of expertise and experience in substantive matters pertaining to the Company's business relative to other board members; diversity of background and perspective, including, but not limited to, with respect to age, gender, race, place of residence and specialized experience; practical and mature business judgment, including, but not limited to, the ability to make independent analytical inquiries; and any other relevant qualifications, attributes or skills. The Board of Directors evaluates each individual in the context of the Board of Directors as a whole, with the objective of assembling a group that can best perpetuate the success of the business and represent shareholder interests through the exercise of sound judgment using its diversity of experience in these various areas. In determining whether to recommend a director for re-election, the Nomination and Corporate Governance Committee may also consider the director's past attendance at meetings and participation in and contributions to the activities of the Board of Directors.

Shareholder Recommendations and Nominees

The Nomination and Corporate Governance Committee and the Board have not established a formal policy with regard to the consideration of director candidates recommended by shareholders. This is due to the following factors: (i) the limited number of such recommendations, (ii) the need to evaluate such recommendations on a case-by-case basis, and (iii) the expectation that recommendations from shareholders would be considered in the same manner as recommendations by directors, officers, outside advisors or search firms in the event of a vacancy on the Board.

Shareholders who desire to nominate persons directly for election to the Board of Directors at an annual general meeting of shareholders must meet the deadlines and other requirements set forth under "Additional Information — Shareholder Proposals for 2022 Annual General Meeting." Any vacancies on the Board of Directors occurring between our annual general meetings of shareholders may be filled 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 or herself for re-election, or by ordinary resolution of the shareholders of the Company.

COMMUNICATIONS FROM SHAREHOLDERS

The Board of Directors will give appropriate attention to written communications that are submitted by shareholders, and will respond if and as appropriate. Our Company Secretary and General Counsel are primarily responsible for monitoring communications from shareholders and for providing copies or summaries to the directors as they consider appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that our Company Secretary or General Counsel and Chairman of the Board consider to be important for the directors to know. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we tend to receive repetitive or duplicative communications. Shareholders who wish to send communications on any topic to the Board of Directors should address such communications to the Board of Directors in writing: c/o Company Secretary, Verona Pharma plc, c/o Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, EC3V 0HR.

BOARD LEADERSHIP STRUCTURE AND ROLE IN RISK OVERSIGHT

Our Corporate Governance Guidelines provide our Board of Directors with flexibility to combine or separate the positions of Chairman of the Board and Chief Executive Officer in accordance with its determination that utilizing one or the other structure would be in the best interests of our Company based

on the circumstances at that time. We recognize that different board leadership structures may be appropriate for companies in different situations.

Based on the Company's present circumstances, the Board believes that the Company and its shareholders are best served by having Dr. Ebsworth serve as its Chairman of the Board and Dr. Zaccardelli serve as its Chief Executive Officer. Our current leadership structure permits Dr. Zaccardelli to focus his attention on managing our Company and permits Dr. Ebsworth to manage the Board of Directors. Accordingly, we believe our current leadership structure is the optimal structure for us at this time. However, our Board of Directors will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Risk assessment and oversight are an integral part of our governance and management processes. Our Board of Directors encourages management to promote a culture that incorporates risk management into our corporate strategy and day-to-day business operations. Management discusses strategic and operational risks at regular management meetings and conducts specific strategic planning and review sessions during the year that include a focused discussion and analysis of the risks facing us. Throughout the year, senior management reviews these risks with the Audit Committee or Board of Directors at regular meetings as part of management presentations that focus on particular business functions, operations or strategies, and presents the steps taken by management to mitigate or eliminate such risks. As provided in the terms of reference of the Audit Committee, the Audit Committee is responsible for discussing the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled. In accordance with those policies, the Board and the Board committees have an active role in overseeing management of the Company's risks inherent in their respective areas of oversight. In particular, our Board of Directors is responsible for monitoring and assessing strategic risk exposure, including business continuity risks, such as risks relating to the COVID-19 pandemic. The Audit Committee monitors compliance with legal and regulatory requirements, discusses the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's exposure to risk is handled, oversees management of the Company's financial and cybersecurity risks, and considers and approves or disapproves any related person transactions. Our Nomination and Corporate Governance Committee monitors the risks relating to our corporate governance framework and succession planning for our Board of Directors and senior management. Our Remuneration Committee assesses and monitors whether any of our remuneration policies and programs has the potential to encourage excessive risk-taking. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board has an active role in overseeing management of the Company's risks and is regularly informed through committee reports about such risks. The Board does not believe that its role in the oversight of our risks adversely affects the Board's leadership.

PERIODIC BOARD EVALUATION

Our Corporate Governance Guidelines require the Nomination and Corporate Governance Committee to oversee a periodic assessment of the Board and its committees.

CODE OF BUSINESS CONDUCT AND ETHICS

We have adopted a written Code of Business Conduct and Ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and others temporarily assigned to perform work or services for us. We have posted a current copy of the Code of Business Conduct and Ethics in the "Corporate Governance" section of our investor relations website at www.veronapharma.com/investors. Our Board of Directors is responsible for administering the Code of Business Conduct and Ethics. The Board of Directors is allowed to amend, alter or terminate the Code of Business Conduct and Ethics. In addition, we intend to post on our website all disclosures that are required by law or the Nasdaq rules concerning any amendments to, or waivers from, any provision of the Code of Business Conduct and Ethics.

ANTI-HEDGING POLICY

Our Board of Directors has adopted an Insider Trading Compliance Policy, which applies to all of our directors, officers and employees. The policy prohibits our directors, officers and employees and any entities

they control from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars, and exchange funds, or otherwise engaging in transactions that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company's equity securities, or that may cause an officer, director, or employee to no longer have the same objectives as the Company's other shareholders.

ATTENDANCE BY MEMBERS OF THE BOARD OF DIRECTORS AT MEETINGS

There were 15 meetings of the Board of Directors during the fiscal year ended December 31, 2020. During the fiscal year ended December 31, 2020, each director attended at least 75% of the aggregate of all meetings of the Board of Directors and meetings of the committees on which the director served during the period in which he or she served as a director.

Currently, we do not maintain a formal policy regarding director attendance at the AGM; however, it is expected that directors will attend absent compelling circumstances. All of our then-serving directors attended our annual general meeting of shareholders held in 2020.

Committees of the Board

Our Board of Directors has established an Audit Committee, Remuneration Committee, and Nomination and Corporate Governance Committee, each of which operates under written terms of reference that have been approved by our Board and that are available in the "Corporate Governance" section of our investor relations website at www.veronapharma.com/investors. All of the members of each of these committees are independent as defined under the Nasdaq rules. Our Board of Directors has determined that David Ebsworth, Ph.D, Andrew Sinclair, Ph.D., and Vikas Sinha, meet the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All members of the Remuneration Committee meet the heightened standard for independence specific to members of a compensation committee under the Nasdaq rules and each qualifies as a "non-employee director" as defined in Rule 16b-3 of the Exchange Act. All members of the Nomination and Corporate Governance Committee are independent under the Nasdaq rules.

The members of each of the Audit, Remuneration and Nomination and Corporate Governance Committees and the committee Chairs are set forth in the following chart.

Name	Audit and Risk	Remuneration	Nomination and Corporate Governance
Ken Cunningham, M.D.		Chair	
Lisa Deschamps			X
David Ebsworth, Ph.D.	X	X	Chair
Rishi Gupta		X	
Mahendra Shah, Ph.D.			X
Andrew Sinclair, Ph.D.	X		
Vikas Sinha	Chair		

AUDIT AND RISK COMMITTEE

The Audit Committee's responsibilities include, among other things:

- monitoring the integrity of the financial statements of the Company, including its annual and interim reports, preliminary results' announcements and any other formal announcement relating to its financial performance;
- reviewing significant financial reporting issues and judgments that they contain;
- reviewing and discussing with the Company's management and external auditor the Company's audited financial statements and quarterly financial statements to be filed with the SEC, including disclosures under the caption "management's discussion and analysis of financial condition and results

of operation” and the matters required to be discussed by applicable Public Company Accounting Oversight Board (the “PCAOB”) standards and SEC rules;

- considering whether it will recommend to the Board of Directors that the Company’s audited financial statements be included in the Company’s Annual Report on Form 10-K;
- preparing an annual committee report for inclusion where necessary in the proxy statement of the Company relating to its annual general meeting of shareholders;
- overseeing the appointment, re-appointment, and removal of the Company’s external auditor;
- reviewing and approving the annual audit plan;
- coordinating the Board of Directors’ oversight of the Company’s internal control over financial reporting and disclosure controls and procedures;
- discussing the Company’s policies with respect to risk assessment and risk management;
- establishing the Company’s arrangements for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- reviewing the Company’s policies and procedures for reviewing and approving or ratifying related person transactions.

The current members of the Audit Committee are David Ebsworth, Ph.D., Andrew Sinclair, Ph.D., and Vikas Sinha. Mr. Sinha serves as the Chairperson of the Audit Committee. The members of our Audit Committee meet the requirements for financial literacy under the applicable rules of the SEC and Nasdaq. Our Board of Directors has determined that Vikas Sinha is an “audit committee financial expert” as defined by Item 407(d)(5)(ii) of Regulation S-K.

The Audit Committee meets as often as one or more members of the Audit Committee deem necessary, but in any event, meets at least four times per year. The Audit Committee meets at least once per year with our independent accountant, without our management being present. The Audit Committee met five times in 2020.

REMUNERATION COMMITTEE

The Remuneration Committee’s responsibilities include, among other things:

- determining and agreeing with the Board of Directors the framework for the remuneration of the Company’s chief executive, chairman, the executive directors, the company secretary and such other members of the Company’s management as it is designated to consider;
- approving all service contracts between the Company and its directors or between the Company and any subsidiary and its directors;
- determining the policy for, and scope of, pension arrangements for each executive director and other senior executives;
- establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee and, when considered necessary, to obtain reliable, up-to-date information about remuneration in other companies;
- making a report each year to the shareholders on behalf of the Board of Directors, which report should form part of, or be annexed to, the Company’s annual report and accounts;
- to the extent that the Company is required to include a Compensation Discussion and Analysis (“CD&A”) in our proxy statement, reviewing and discussing with management our CD&A and considering whether it will recommend to the Board of Directors that the CD&A be included in the proxy statement; and
- if required, preparing the annual compensation committee report pursuant to the rules of the Exchange Act.

The Remuneration Committee has the authority to retain or obtain the advice of remuneration consultants, legal counsel and other advisors to assist in carrying out its responsibilities, including being directly responsible for the appointment, oversight and compensation of such consultant, counsel or advisor and the ability to cause us, without further action by the Board of Directors, to pay the compensation of such consultant, counsel or advisor as approved by the Remuneration Committee, provided, however, that in retaining or obtaining the advice of such consultant, counsel or advisor, other than in-house legal counsel, the Remuneration Committee shall take into consideration the factors affecting independence required by applicable SEC rules and Nasdaq rules. The Remuneration Committee also has the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of us to meet with the Remuneration Committee or any advisors engaged by the Remuneration Committee.

During 2020, the Remuneration Committee engaged AoN Consulting, Inc. (“AoN”). The Remuneration Committee reviewed compensation assessments provided by AoN comparing our compensation to that of a group of peer companies within our industry and met with AoN to discuss compensation of our executive officers and to receive input and advice. The Remuneration Committee reviewed legal matters related to the form of compensation of our executive officers and the employment contracts associated with these officers, and our past and current executive directors, receiving their input and advice. The Remuneration Committee has considered the adviser independence factors required under SEC rules as they relate to (i) additional services, (ii) total fees as a percentage of total revenue, (iii) conflict of interest policies, (iv) business or personal relationships with members of the Remuneration Committee, (v) stock ownership by compensation advisors, and (vi) business or personal relationships with executives of the company and does not believe AoN’s work in 2020 raised a conflict of interest. For discussion of the role of compensation consultants in determining executive and non-employee director compensation, please refer to “Executive Compensation” and “Director Compensation” below.

The current members of our Remuneration Committee are Ken Cunningham, M.D., David Ebsworth, Ph.D. and Rishi Gupta. Dr. Cunningham serves as the Chairperson of the Remuneration Committee.

The Remuneration Committee met five times during 2020.

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

The Nomination and Corporate Governance Committee’s responsibilities include, among other things:

- evaluating the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors and make recommendations to the Board of Directors with regard to any adjustments that are deemed necessary;
- identifying and nominating, for the approval of the Board of Directors, candidates to fill Board vacancies as and when they arise;
- putting in place plans for the orderly succession of appointments to the Board of Directors and to senior management;
- making recommendations to the Board of Directors on the membership of the Audit and Risk, Remuneration and Nomination and Corporate Governance Committees, in consultation with the chairs of those committees; and
- overseeing a periodic self-evaluation of the Board of Directors to determine whether it and its committees are functioning effectively.

The current members of our Nomination and Corporate Governance Committee are Lisa Deschamps, David Ebsworth, Ph.D., Mahendra Shah, Ph.D. Dr. Ebsworth serves as the Chairperson of the Nomination and Corporate Governance Committee.

The members of the Nomination and Corporate Governance Committee on two times during 2020.

Executive and Director Compensation

This section discusses the material components of the executive compensation program for our executive officers who are named in the “2020 Summary Compensation Table” below. In 2020, our “named executive officers” and their positions were as follows:

- David Zaccardelli, Pharm.D., President and Chief Executive Officer;

- Mark Hahn, Chief Financial Officer;
- Kathleen Rickard, M.D., Chief Medical Officer; and
- Jan-Anders Karlsson, Ph.D, our former Chief Executive Officer. Effective February 2, 2020, Dr. Karlsson ceased to serve as our Chief Executive Officer and was succeeded by Dr. Zaccardelli.

2020 SUMMARY COMPENSATION TABLE

The following table sets forth information concerning the compensation of our named executive officers for the year ended December 31, 2020.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total ⁽⁹⁾
David Zaccardelli ⁽²⁾ President and Chief Executive Officer	2020	229,167	—	17,620,462	—	412,500	39,110 ⁽⁵⁾	18,301,239
Mark Hahn ⁽³⁾ Chief Financial Officer	2020	229,167	—	17,915,584	—	275,000	35,047 ⁽⁶⁾	18,454,798
Kathleen Rickard Chief Medical Officer	2020	401,700	125,000 ⁽⁴⁾	3,201,340	42,013	176,748	19,314 ⁽⁷⁾	3,966,115
	2019	357,500	125,000	89,905	258,585	121,550	9,633	962,173
Jan-Anders Karlsson ⁽²⁾ Former Chief Executive Officer	2020	82,662	—	—	—	—	1,392,124 ⁽⁸⁾	1,474,786
	2019	437,828	—	199,607	640,777	231,173	30,315	1,539,700

- (1) Amounts reflect the full grant-date fair value of stock awards and option awards granted during 2020 computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. For a description of the assumptions used in valuing these awards, see Note 11 to our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.
- (2) Dr. Zaccardelli succeeded Dr. Karlsson as our Chief Executive Officer, effective February 1, 2020. Dr. Karlsson's employment with us terminated on February 28, 2020.
- (3) Mr. Hahn commenced employment with us on February 1, 2020 and commenced serving as our Chief Financial Officer, effective March 1, 2020.
- (4) Consisted of a cash retention bonus that was payable pursuant to Dr. Rickard's employment agreement. Refer to the section entitled "— Executive Compensation Arrangements — Kathleen Rickard, MD" for a description of this payment.
- (5) Consisted of a cash payout in lieu of unused holidays (\$14,423), payments made in respect of healthcare costs (\$17,443), payments made in respect of life, dental and vision care costs (\$1,244) and pension contributions (\$6,000).
- (6) Consisted of a cash payout in lieu of unused holidays (\$9,615), payments made in respect of healthcare costs (\$22,467), payments made in respect of life, dental and vision care costs (\$1,132) and pension contributions (\$1,833).
- (7) Consisted of a cash payout in lieu of unused holidays (\$7,725), payments made in respect of healthcare costs (\$11,494), payments made in respect of life and dental and vision care costs (\$95).
- (8) Consisted of a cash payout in lieu of unused holidays (\$7,630), payments made in respect of healthcare costs (\$3,706) and cash severance payments in accordance with Dr. Karlsson's separation agreement (as described below in the section entitled "— Executive Compensation Arrangements — Jan-Anders Karlsson, Ph.D.") (\$1,364,849) and pension contributions (\$15,939).
- (9) Amounts shown in this table are expressed in U.S. dollars. Amounts for 2020 paid in pounds sterling have been converted to U.S. dollars based on the exchange rate (\$1.366312 to 1 pound sterling) as of

December 31, 2020. Amounts for 2019 paid in pounds sterling have been converted to U.S. dollars based on the exchange rate (\$1.326752 to 1 pound sterling) as of December 31, 2019.

Narrative to Summary Compensation Table

2020 Annual Base Salaries

The named executive officers receive a base salary to compensate them for services rendered to our company. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive’s skill set, experience, role and responsibilities.

Our remuneration committee periodically reviews named executive officer base salaries in consultation with management to determine whether any adjustments are necessary or appropriate. The following table shows the annual cash base salaries of our named executive officer for 2019 and 2020. Except as otherwise noted, all annual base salary increases were effective January 1 of the given year.

Name	2019 Cash Annual Base Salary (\$)	2020 Cash Annual Base Salary (\$)
David Zaccardelli ⁽¹⁾	—	250,000 ⁽³⁾
Mark Hahn ⁽²⁾	—	250,000 ⁽³⁾
Kathleen Rickard	390,000	401,700
Jan-Anders Karlsson ⁽¹⁾⁽⁴⁾	437,828	495,971

- (1) Dr. Zaccardelli succeeded Dr. Karlsson as our Chief Executive Officer, effective February 1, 2020. Dr. Karlsson’s employment with us terminated on February 28, 2020.
- (2) Mr. Hahn commenced employment with us on February 1, 2020 and commenced serving as our Chief Financial Officer, effective March 1, 2020.
- (3) As further described below in the section entitled “— Executive Compensation Arrangements,” Dr. Zaccardelli’s and Mr. Hahn’s annual base salaries are payable in part in cash and in part in restricted stock units pursuant to their employment agreements. The amounts shown in this table represent the portion of the executive’s annual base salary that was payable in cash for 2020. The portion of Dr. Zaccardelli and Mr. Hahn’s annual base salary that was payable in restricted stock units is described below in the section entitled “— Equity Compensation.”
- (4) Amounts for 2020 paid in pounds sterling have been converted to U.S. dollars based on the exchange rate (\$1.366312 to 1 pound sterling) as of December 31, 2020. Amounts for 2019 paid in pounds sterling have been converted to U.S. dollars based on the exchange rate (\$1.326752 to 1 pound sterling) as of December 31, 2019.

2020 Bonuses

In addition to base salaries, our named executive officers are eligible to receive a discretionary bonus designed to drive the achievement of the Company’s strategic and corporate objectives. The goals are set at the start of the year by the Board of Directors and performance against objectives is assessed by the remuneration committee after the end of the relevant financial year. Dr. Zaccardelli is eligible to receive an annual bonus targeted at 50% of his base salary and a maximum bonus of up to 200% of his base salary. Mr. Hahn is eligible to receive an annual bonus targeted at 50% of his base salary, while Dr. Rickard is eligible to receive an annual bonus targeted at 40% of her base salary. For 2020, our corporate bonus objectives were based on operational and financial milestones, which consisted of successful interactions with U.S. regulators regarding Phase 2 clinical trials, the initiation of Phase 3 clinical trials, a successful capital raise, design of appropriate clinical trials and Company operation at or below an approved budget; however, our remuneration committee did not assign any particular weights to any particular objectives, nor did it have separate goals for any particular executive.

Based on their evaluation of company performance, remuneration committee approved annual bonuses that represented 110%, 110% and 110% of the target annual bonus for Dr. Zaccardelli, Mr. Hahn, and

Dr. Rickard, respectively. The bonuses awarded to Dr. Zaccardelli and Mr. Hahn were pro-rated in respect of their partial year of employment. Dr. Karlsson was not eligible to receive an annual bonus for 2020 because he was no longer employed. The actual annual cash bonuses awarded to each named executive officer for 2020 performance are set forth above in the Summary Compensation Table in the column entitled “Non-Equity Incentive Plan Compensation.”

Equity Compensation

Each of our named executive officers have been granted stock options and restricted stock units. The stock options and restricted stock units typically vest over a period of four years; however, from time to time, our Board of Directors or the remuneration committee may also construct alternate vesting schedules as it determines are appropriate to motivate particular employees. Stock options and restricted stock units granted to our employees may be subject to accelerated vesting in certain circumstances, as described in the section titled “Employment and Separation Agreements.”

The following table sets forth the restricted stock units and stock options granted to our named executive officers during 2020 as the long-term incentive component of our compensation program. These restricted stock units and stock options were granted under our 2017 Incentive Award Plan, as it may be amended and/or restated from time to time, which we refer to as the 2017 Incentive Plan. Each stock option has an exercise price per share and/or ADS equal to the fair market value of our ordinary shares and/or ADSs on the date of grant, as determined by the Board of Directors.

Named Executive Officer	2020 Restricted Stock Units Granted ⁽¹⁾	2020 Stock Options Granted ⁽¹⁾
David Zaccardelli	2,400,935 ⁽²⁾	—
Mark Hahn	2,356,385 ⁽³⁾	—
Kathleen Rickard	383,394	12,500
Jan-Anders Karlsson	—	—

- (1) Amounts shown in this table are expressed in terms of the number of ADSs that are covered by each such award. Each ADS represents 8 ordinary shares of the Company.
- (2) As further described below in the section entitled “— Executive Compensation Arrangements,” Dr. Zaccardelli’s annual base salary is payable in part in cash and in part in restricted stock units pursuant to his employment agreement. The amounts shown in this table include 89,100 restricted stock units, which represents the portion of his 2020 annual base salary that was payable in restricted stock units. The portion of Dr. Zaccardelli’s annual base salary that was payable in cash is described above in the section entitled “— 2020 Annual Base Salaries.”
- (3) As further described below in the section entitled “— Executive Compensation Arrangements,” Mr. Hahn’s annual base salary is payable in part in cash and in part in restricted stock units pursuant to his employment agreement. The amounts shown in this table include 44,549 restricted stock units, which represents the portion of his 2020 annual base salary that was payable in restricted stock units. The portion of Mr. Hahn’s annual base salary that was payable in cash is described above in the section entitled “— 2020 Annual Base Salaries.”

Other Elements of Compensation

Retirement Plans

We currently maintain a 401(k) retirement savings plan for our U.S.-based employees, including our named executive officers, who satisfy certain eligibility requirements. Our named executive officers are eligible to participate in the 401(k) plan on the same terms as other full-time employees. The Internal Revenue Code allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) plan. Currently, we match contributions made by participants in the 401(k) plan up to 4% of the employee’s annual compensation (which, for 2020, was subject to a maximum of \$6,000 per employee). Matching contributions made during 2020 vest over a six year period.

We also operate a defined contribution pension scheme which is available to all UK employees. We believe that providing vehicles for tax-deferred retirement savings, and making matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Employee Benefits and Perquisites

We offer the opportunity to participate in various health and welfare programs to our U.S. full-time employees, including our named executive officers. These programs include:

- medical, dental and vision benefits;
- short-term and long-term disability insurance; and
- life insurance.

We believe the perquisites described above are necessary and appropriate to provide a competitive compensation package to our named executive officers.

OUTSTANDING EQUITY AWARDS AT 2020 FISCAL YEAR-END

The following table summarizes the number of company securities underlying outstanding equity incentive plan awards for each named executive officer as of December 31, 2020. Awards cover ordinary shares and/or ADSs; however, amounts shown below are expressed in terms of the number of ADSs that are covered by each such award. The exercise prices per share are expressed in U.S. dollars based on the exchange rate on the date of grant.

Name	Grant Date	Option Awards					Stock Awards			
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
David Zaccardelli . . .	3/3/2020 ⁽¹⁾	—	—	—	—	—	22,275	155,925	—	—
	5/7/2020 ⁽²⁾	—	—	—	—	—	526,633	3,686,431	—	—
	8/20/2020 ⁽²⁾	—	—	—	—	—	1,785,203	12,496,421	—	—
Mark Hahn	3/3/2020 ⁽¹⁾	—	—	—	—	—	11,138	77,966	—	—
	5/7/2020 ⁽²⁾	—	—	—	—	—	394,975	2,764,825	—	—
	8/20/2020 ⁽²⁾	—	—	—	—	—	1,916,861	13,418,027	—	—
Kathleen Rickard	4/1/2019	20,416 ⁽³⁾	49,584	—	5.99	3/29/2029	—	—	15,000 ⁽¹⁰⁾	105,000
	3/3/2020 ⁽⁴⁾	—	12,500	—	5.64	3/3/2030	—	—	—	—
	8/20/2020 ⁽⁵⁾	—	—	—	—	—	383,394	2,683,758	—	—
Jan-Anders Karlsson	7/29/2013	12,500	—	—	24.57	7/29/2023	—	—	—	—
	5/15/2014	7,500	—	—	23.51	5/15/2024	—	—	—	—
	1/29/2015	37,500	—	—	15.04	1/29/2025	—	—	—	—
	2/9/2016	12,500	—	—	23.16	2/9/2026	—	—	—	—
	8/3/2016	62,500	—	—	19.2	8/3/2026	—	—	—	—
	4/26/2017 ⁽⁶⁾	151,719	21,481	—	13.56	4/26/2027	—	—	—	—
	3/8/2018 ⁽⁷⁾	63,406	45,189	—	16.15	3/8/2028	—	—	—	—
	4/1/2019 ⁽⁸⁾	37,483	90,885	—	5.99	3/29/2029	—	—	—	—
	11/26/2019 ⁽⁹⁾	18,250	44,250	—	4.57	11/26/2029	—	—	—	—

-
- (1) The restricted stock units cover ADSs and vest on January 31, 2021, provided, that the restricted stock units may become vested in connection with certain corporate events, subject, in each case, to the holder's continued employment with us through the applicable vesting date and potential accelerated vesting as described in the section titled "Executive Compensation Arrangements."
 - (2) The restricted stock units cover ADSs and vest as to 25% of the restricted stock units on February 1, 2021, and as to the remainder, in equal quarterly installments thereafter over the subsequent three years, provided, that the restricted stock units will immediately vest as of immediately prior to a change in control, subject, in each case, to the holder's continued employment with us through the applicable vesting date and potential accelerated vesting as described in the section titled "Executive Compensation Arrangements."
 - (3) The option covers ADSs and the unvested portion of option is scheduled to vest (x) as to 20,417 ADSs, on March 31, 2021, (y) as to 20,417 ADSs, on March 31, 2022 and (z) as to 8,750 ADSs, on March 31, 2023, subject, in each case, to the holder's continued employment with us through the applicable vesting date.
 - (4) The option covers ADSs and vest as to 25% of options on March 3, 2021, and as to the remainder, in equal quarterly installments thereafter over the subsequent three years, subject, in each case, to the holder's continued employment with us through the applicable vesting date.
 - (5) The restricted stock units cover ADSs and vest as to 25% of the restricted stock units on August 1, 2021, and as to the remainder, in equal quarterly installments thereafter over the subsequent three years, provided, that the restricted stock units will immediately vest as of immediately prior to a change in control, subject, in each case, to the holder's continued employment with us through the applicable vesting date.
 - (6) The unvested portion of the option is scheduled to vest on April 26, 2021. The award covers ordinary shares; however, information in this table are expressed in terms of the equivalent number of ADSs that are covered by each such award and the per-ADS exercise price.
 - (7) The unvested portion of option was scheduled to vest (x) as to 31,703 ADSs, on March 8, 2021, and (y) as to 13,486 ADSs, on March 8, 2022. In accordance with the terms of the Dr. Karlsson's separation agreement, described below in the section titled "Executive Compensation Arrangements," this award was forfeited in February 2021. The award covered ordinary shares; however, information in this table are expressed in terms of the number of ADSs that are covered by each such award and the per-ADS exercise price.
 - (8) The unvested portion of option was scheduled to vest (x) as to 37,484 ADSs, on March 31, 2021, (y) as to 37,484 ADSs, on March 31, 2022 and (z) as to 15,917 ADSs, on March 31, 2023. In accordance with the terms of the Dr. Karlsson's separation agreement, described below in the section titled "Executive Compensation Arrangements," this award was forfeited in February 2021 as to 53,401 ADSs. The award covers ordinary shares; however, information in this table are expressed in terms of the number of ADSs that are covered by each such award and the per-ADS exercise price.
 - (9) The unvested portion of option was scheduled to vest (x) as to 18,250 ADSs, on November 26, 2021, (y) as to 18,250 ADSs, on November 26, 2022 and (z) as to 7,750 ADSs, on November 26, 2023. In accordance with the terms of the Dr. Karlsson's separation agreement, described below in the section titled "Executive Compensation Arrangements," this award was forfeited in February 2021 as to 26,000 ADSs. The award covered ordinary shares; however, information in this table are expressed in terms of the number of ADSs that are covered by each such award and the per-ADS exercise price.
 - (10) The restricted stock units cover ADSs and vest (x) as to 4,375 ADSs, on May 10, 2021, (y) as to 4,375 ADSs, on May 10, 2022, as to 4,375 ADSs, on May 10, 2023, provided that the restricted stock units will not vest until either (1) the first business day after the first period of 30 consecutive days after the applicable vesting date during which the trailing average closing price of an ordinary share of the Company equals or exceeds 2 pounds sterling (the "Market Condition") or (2) the occurrence of a change in control, and (z) as to 1,875 ADSs, on May 10, 2023, subject, in each case, to the holder's continued employment with us through the applicable vesting date. In the event the Market Condition is not attained, the restricted stock units will remain eligible to vest on the fifth anniversary of the grant date, subject, in each case, to the holder's continued employment with us through the applicable vesting date.

Executive Compensation Arrangements

We have entered into employment and severance agreements with each of our named executive officers. Certain key terms of these agreements are described below.

David S. Zaccardelli, Pharm.D.

We entered into an employment agreement with Dr. Zaccardelli pursuant to which he commenced employment with us on February 1, 2020. This agreement entitles Dr. Zaccardelli to receive an annual base salary of \$750,000, which is payable in part in cash (which, for 2020, was \$250,000) and in part in restricted stock units (which vest in equal quarterly installments during the calendar year in which the grant occurs, subject to continued employment) and a target annual bonus opportunity of 50% of his annual base salary. Pursuant to his employment agreement, Dr. Zaccardelli was also entitled to receive (i) an award of restricted stock units equal to 4% of our outstanding ordinary shares and (ii) an additional award of restricted stock units if the Company raised additional equity capital during fiscal year 2020 (which it did), which was intended to result in Dr. Zaccardelli's equity awards (other than the portion of his base salary payable in restricted stock units) being equal to 4% of our outstanding ordinary shares on the applicable date of issuance. These awards of restricted stock units vest over a period of four years, subject to continued employment.

If Dr. Zaccardelli's employment is terminated by us without "Cause" or by Dr. Zaccardelli for "Good Reason" (as each such term is defined in his employment agreement), then, subject to his signing and not revoking a general release of claims, he is entitled to receive (i) 18 months (or 12 months if the termination occurs after the second anniversary of Dr. Zaccardelli's employment commencement date) of base salary continuation and continued payment of premiums for continued medical coverage under COBRA, (ii) an amount equal to 150% (or 100% if the termination occurs after the second anniversary of Dr. Zaccardelli's employment commencement date) of Dr. Zaccardelli's full annual discretionary bonus, calculated as though all applicable objectives have been achieved for the year of termination, (iii) payment of all accrued and unused paid time-off, and (iv) full accelerated vesting of any outstanding, unvested equity awards under our share and share option schemes (with any performance-vesting awards become vested based on target level attainment), provided that if such termination occurred prior to the first anniversary of Dr. Zaccardelli's employment commencement date, the awards would have become vested as to the portion that would have otherwise vested on or prior to the first anniversary of Dr. Zaccardelli's employment commencement date.

Dr. Zaccardelli has also agreed to refrain from competing with us or soliciting our customers or prospective customers for a period of one year following his termination of employment.

Mark W. Hahn

We entered into an employment agreement with Mr. Hahn pursuant to which he commenced employment with us on February 1, 2020 and has served as our Chief Financial Officer since March 1, 2020. This agreement entitles Mr. Hahn to receive an annual base salary of \$500,000, which is payable in part in cash (which, for 2020, was \$250,000) and in part in restricted stock units (which vest in equal quarterly installments during the calendar year in which the grant occurs, subject to continued employment) and a target annual bonus opportunity of 50% of his annual base salary. Pursuant to his employment agreement, Mr. Hahn was also entitled to receive (i) awards of restricted stock units equal to 4% of our outstanding ordinary shares and (ii) an additional award of restricted stock units if the Company raised additional equity capital during fiscal year 2020 (which it did), which was intended to result in Mr. Hahn's equity awards (other than the portion of his base salary payable in restricted stock units) being equal to 4% of our outstanding ordinary shares on the applicable date of issuance. These awards vest over a period of four years, subject to continued employment.

If Mr. Hahn's employment is terminated by us without "Cause" or by Mr. Hahn for "Good Reason" (as each such term is defined in his employment agreement), then, subject to his signing and not revoking a general release of claims, he is entitled to receive the same severance payments and benefits that Dr. Zaccardelli is entitled to receive, as described above.

Mr. Hahn has also agreed to refrain from competing with us or soliciting our customers or prospective customers for a period of one year following his termination of employment.

Kathleen Rickard, M.D.

We entered into an offer letter with Dr. Rickard on December 13, 2018, pursuant to which she agreed to serve as our Chief Medical Officer, effective February 1, 2019. This agreement entitles Dr. Rickard to receive an annual base salary (which, for 2020, was \$401,700) and a target annual bonus opportunity of 40% of her annual base salary, with the amount of any such bonus based on performance criteria for our company and her individual performance, as determined by the Board of Directors in its sole discretion. Dr. Rickard was also entitled to receive a sign-on bonus of \$50,000, payable on the date of the offer letter, and was entitled to receive a retention bonus of \$250,000, with \$125,000 payable on April 1, 2019 and \$125,000 payable on April 1, 2020, subject to Dr. Rickard being employed at the applicable date of payment and with the condition that each retention bonus payment is repayable if she resigns or is terminated for “Cause” within 12 months of payment.

If Dr. Rickard’s employment is terminated by us without “Cause” or by Dr. Rickard for “Good Reason” (as each such term is defined in her offer agreement), then, subject to her signing and not revoking a general release of claims, she is entitled to receive (i) four weeks of base salary continuation, (ii) four weeks of continued payment of premiums for continued medical coverage under COBRA, (iii) a pro-rated portion of the annual bonus that she otherwise would have earned in the year of termination based on actual performance in such year.

Jan-Anders Karlsson, Ph.D.

We and Dr. Karlsson entered into a separation agreement, or the Karlsson Separation Agreement, pursuant to which we and Dr. Karlsson agreed that he would no longer serve as chief executive officer, director or officer, effective as of February 2, 2020, and that his employment with us would terminate effective as of February 28, 2020, or the Separation Date. Dr. Karlsson agreed to help transition his duties to Dr. Zaccardelli. Pursuant to the Karlsson Separation Agreement, Dr. Karlsson agreed to execute a general release of claims, or the Karlsson Settlement Agreement, and he is entitled to receive cash severance payments in the aggregate amount of £982,160, payments for continued medical and life insurance benefits until the first anniversary of the Separation Date and continued pension contributions until the first anniversary of the Separation Date, subject to his compliance with the terms of the Karlsson Separation Agreement, the Karlsson Settlement Agreement and his employment agreement.

Pursuant to the Karlsson Separation Agreement, 81,084 RSUs covering ADSs became immediately vested. Additionally, the Karlsson Separation Agreement provided that any equity awards that Dr. Karlsson held as of his separation date that were not vested as of such date would continue to vest based on its original vesting schedule (without regard to Dr. Karlsson’s continued employment), provided that certain unvested awards would become forfeited on February 28, 2021 if a change in control event did not occur by then. Furthermore, the outstanding awards were subject to accelerated vesting upon a change in control, Dr. Karlsson’s death or a breach by the Company of the terms of the separation agreement.

2020 DIRECTOR COMPENSATION

We have entered into letters of appointment with each of our non-executive directors pursuant to which they are entitled to receive an annual fee for their services as a member of the board, and an additional fee for service on its committees. These fees are as follows:

- each non-employee director receives an annual cash retainer of £30,000;
- the Chairman of the Board of Directors, each Chairman of a committee of the Board of Directors or a member of a committee of the Board of Directors, receives additional cash compensation as follows:
 - the Chairman of the Board of Directors receives an additional annual retainer of £78,000;
 - the Chairman of the Audit and Risk Committee receives an additional annual retainer of £12,000;
 - the Chairman of the Remuneration Committee receives an additional annual retainer of £10,000;

- a member of the Audit and Risk Committee receives an additional annual retainer of £5,000;
- a member of the Remuneration Committee receives an additional annual retainer of £4,000;
- a member of the Nomination and Corporate Governance Committee receives an additional annual retainer of £3,000;

The fees are paid monthly in arrears. These letters also provide for reimbursement of reasonable and documented expenses incurred in the performance of board duties, including reimbursement of business class air travel.

The following table sets forth in summary form information concerning the compensation that we paid or awarded during the year ended December 31, 2020 to each of our non-employee directors.

2020 Director Compensation Table

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Total (\$)
Ken Cunningham	54,652	121,075		175,727
David Ebsworth	153,016	121,075		274,091
Rishi Gupta	43,413		100,110	143,523
Mahendra Shah	42,808	121,075		163,883
Andrew Sinclair	44,020		100,110	144,129
Vikas Sinha	57,385	121,075		178,460
Anders Ullman	42,808	121,075		163,883
Martin Edwards	40,989	121,075		162,064

(1) Amounts reflect the full grant-date fair value of stock awards and option awards granted during 2020 computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. For a description of the assumptions used in valuing these awards, see Note 11 to our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

The table below shows the aggregate numbers of option awards (exercisable and unexercisable) and unvested stock awards held as of December 31, 2020 by each non-employee director. Awards cover ordinary shares and/or ADSs; however, amounts shown below are expressed in terms of the number of ADSs that are covered by each such award.

Name	Option Awards Outstanding at 2020 Fiscal Year End	Unvested Stock Awards Outstanding at 2020 Fiscal Year End
Ken Cunningham	—	7,250
David Ebsworth	—	7,250
Rishi Gupta	23,200	—
Mahendra Shah	—	7,250
Andrew Sinclair	23,200	—
Vikas Sinha	15,048	7,250
Anders Ullman	—	7,250
Martin Edwards	—	7,250

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information as of December 31, 2020 regarding ordinary shares that may be issued under our equity compensation plans, consisting of the Verona Pharma plc EMI Option Scheme (the “EMI Plan”), the Verona Pharma plc Unapproved Share Option Scheme (the “Pre-IPO Plan”) and the Verona Pharma plc 2017 Incentive Award Plan (the “2017 Plan”). We do not have any non-shareholder approved equity compensation plans.

Plan Category	Number of Ordinary Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Ordinary Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by shareholders	75,118,032 ⁽¹⁾	\$1.41 ⁽²⁾	8,834,256 ⁽³⁾
Equity compensation plans not approved by shareholders	—	—	—
Total	75,118,032	\$1.41	8,834,256

- (1) Includes 61,992,360 ordinary shares underlying outstanding restricted share units as of December 31, 2020.
- (2) Represents the weighted average exercise price of outstanding options. Restricted share units are not taken into account for purposes of determining the weighted average exercise price.
- (3) Under the terms of our 2017 Plan, the number of common shares that may be issued under the 2017 Plan will automatically increase on January 1st of each year, from January 1, 2021 continuing through January 1, 2030, by 1.5% of the total number of ordinary shares outstanding on December 31st of the preceding calendar year, or a lesser number of shares as may be determined by the Board of Directors.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information with respect to the beneficial ownership of our voting ordinary shares (and our ADSs, each of which represents 8 ordinary shares), as of March 1, 2021, by:

- each person or group of affiliated persons known by us to beneficially own more than 5% of ordinary shares;
- each of our named executive officers and directors (which includes all nominees); and
- all of our executive officers and directors as a group.

The number of shares beneficially owned by each shareholder is determined under rules issued by the SEC. Under these rules, beneficial ownership includes any shares over which the individual or entity has sole or shared voting power or investment power. Applicable percentage ownership is based on 440,215,550 voting ordinary shares outstanding as of March 1, 2021, including ordinary shares in the form of ADSs. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, ordinary shares subject to options, restricted share units or other rights held by such person that are currently exercisable or will become exercisable or will vest within 60 days of March 1, 2021 are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person.

Unless noted otherwise, the address of all listed shareholders is c/o Verona Pharma plc, 3 More London Riverside, London SE1 2RE UK. Each of the shareholders listed has sole voting and investment power with respect to the shares beneficially owned by the shareholder unless noted otherwise, subject to community property laws where applicable.

Name of beneficial owner	Shares beneficially owned	
	Number	Percent
5% or greater shareholders:		
AI Biotechnology LLC ⁽¹⁾	44,444,448	10.1%
RA Capital Management affiliates ⁽²⁾	43,581,339	9.9%
New Enterprise Associates affiliates ⁽³⁾	42,638,131	9.6%
OrbiMed affiliates ⁽⁴⁾	42,093,330	9.5%
Vivo Capital affiliates ⁽⁵⁾	26,256,032	6.0%
Perceptive Life Sciences Master Fund, Ltd. ⁽⁶⁾	23,111,112	5.2%
Named Executive Officers, Directors and Director Nominees:		
David Zaccardelli, Pharm.D. ⁽⁷⁾	1,027,056	*
Ken Cunningham, M.D. ⁽⁸⁾	50,696	*
Lisa Deschamps	—	*
David Ebsworth, Ph.D. ⁽⁹⁾	671,747	*
Martin Edwards, M.D. ⁽¹⁰⁾	94,088	*
Rishi Gupta ⁽¹¹⁾	139,200	*
Mahendra Shah, Ph.D. ⁽¹²⁾	54,760	*
Andrew Sinclair, Ph.D. ⁽¹³⁾	139,200	*
Vikas Sinha ⁽¹⁴⁾	175,840	*
Anders Ullman, M.D., Ph.D. ⁽¹⁵⁾	336,112	*
Mark W. Hahn ⁽¹⁶⁾	453,992	*
Kathleen Rickard, M.D. ⁽¹⁷⁾	351,664	*
Jan-Anders Karlsson, Ph.D. ⁽¹⁸⁾	4,368,953	1.0%
All directors and executive officers as a group (14 persons) ⁽¹⁹⁾	9,156,883	2.1%

* Indicates beneficial ownership of less than 1% of the total outstanding ordinary shares.

- (1) Consists of 44,444,448 ordinary shares held directly by AI Biotechnology LLC, or AI, all of which are held in the form of ADSs. AI is a subsidiary in a multi-tier corporate structure of which Access Industries Holdings LLC, or Access Holdings, is the parent holding company and is ultimately managed by Access Industries Management, LLC, or Access Industries, and controlled by Mr. Len Blavatnik. Each of Access Holdings, Access Industries and Mr. Blavatnik disclaims beneficial ownership of all shares held by AI except to the extent of their actual pecuniary interest therein. Beneficial ownership information is based on information known to us and a Schedule 13G filed with the SEC on July 24, 2020. The mailing address of AI, Access Holdings, Access Industries and Mr. Blavatnik is 40 West 57th Street, 28th Floor, New York, NY 10019.
- (2) Consists of (a) 36,770,504 ordinary shares held directly by RA Capital Healthcare Fund, L.P., or RA Capital, all of which are held in the form of ADSs, (b) 43,339,542 non-voting ordinary shares to be re-designated as ordinary shares, held directly by RA Capital, (c) 4,029,496 ordinary shares held directly by Blackwell Partners LLC — Series A, or Blackwell, all of which are held in the form of ADSs, and (d) 4,749,354 non-voting ordinary shares to be re-designated as ordinary shares, held directly by Blackwell. RA Capital and Blackwell may elect to have any portion of their non-voting ordinary shares re-designated as voting ordinary shares at any time, unless, immediately following such conversion, they would beneficially own more than 9.99% of the outstanding ordinary shares. If RA Capital or Blackwell would beneficially own more than 9.99% of the outstanding ordinary shares following such re-designation, then the re-designation would occur no earlier than 61 days following the election for such re-designation. RA Capital Management, L.P., or Adviser, is the investment manager for RA Capital and Blackwell. The general partner of the Adviser is RA Capital Management GP, LLC, or Adviser GP, of which Dr. Peter Kolchinsky and Mr. Rajeev Shah are the managing members. The Adviser, the Adviser GP, Dr. Kolchinsky, and Mr. Shah disclaim beneficial ownership of securities held

by RA Capital and Blackwell except to the extent of their pecuniary interest therein. Beneficial ownership information is based on a Schedule 13G filed on February 16, 2021. RA Capital Management's mailing address is 200 Berkeley Street, 18th Floor, Boston, MA 02116.

- (3) Consists of (a) 9,757,393 ordinary shares held directly by Growth Equity Opportunities Fund IV, LLC, or GEO, of which 5,333,328 are held in the form of ADSs, (b) warrants to purchase 1,769,626 ordinary shares held directly by GEO, and (c) 31,111,112 ordinary shares held directly by Growth Equity Opportunities 17, LP, or GEO 17, all of which are held in the form of ADSs. New Enterprise Associates 15, L.P., or NEA 15, is the sole member of GEO. NEA Partners 15, L.P., NEA Partners 15, is the sole general partner of NEA 15. NEA 15 GP, LLC, or NEA 15 LLC, is the sole general partner of NEA Partners 15. Forest Baskett, Anthony Florence, Jr., Mohamad Makhzoumi, Scott D. Sandell, and Peter Sonsini are the managers of NEA 15 LLC. NEA 15, NEA Partners 15, NEA 15 LLC and the managers of NEA 15 LLC share voting and dispositive power with regard to the securities held by GEO. Each of NEA 15, NEA Partners 15 and NEA 15 LLC as well as each of the managers of NEA 15 LLC disclaims beneficial ownership of all shares held by GEO except to the extent of their actual pecuniary interest therein. New Enterprise Associates 17, L.P., or NEA 17, is the sole member of GEO 17. NEA Partners 17, L.P., or NEA Partners 17, is the sole general partner of NEA 17. NEA 17 GP, LLC, or NEA 17 LLC, is the sole general partner of NEA Partners 17. Forest Baskett, Ali Behbahani, Carmen Chang, Anthony Florence, Jr., Mohamad Makhzoumi, Joshua Makower, Edward Mathers, Scott D. Sandell, Paul Walker, Rick Yang, Liza Landsman, and Peter Sonsini, are the managers of NEA 17 LLC. NEA 17, NEA Partners 17, NEA 17 LLC and the managers of NEA 17 LLC share voting and dispositive power with regard to the securities held by GEO 17. Each of NEA 17, NEA Partners 17 and NEA 17 LLC as well as each of the managers of NEA 17 LLC disclaims beneficial ownership of all shares held by GEO 17 except to the extent of their actual pecuniary interest therein. Beneficial ownership information is based on information known to us and a Schedule 13D/A filed with the SEC on August 3, 2020. GEO's and GEO 17's mailing address is 1954 Greenspring Drive, Suite 600, Timonium, MD 21093-4135.
- (4) Consists of (a) 40,225,392 ordinary shares held directly by OrbiMed Private Investments VI, LP, or OPI VI, all of which are held in the form of ADSs and (b) warrants to purchase 1,867,938 ordinary shares are held directly by OPI VI. OrbiMed Capital GP VI LLC, or OrbiMed GP VI, is the general partner of OPI VI. OrbiMed Advisors LLC, or OrbiMed Advisors, is the managing member of OrbiMed GP VI. By virtue of such relationships, OrbiMed GP VI and OrbiMed Advisors may be deemed to have voting and investment power over the securities held by OPI VI and as a result, may be deemed to have beneficial ownership over such securities. OrbiMed Advisors exercises this investment and voting power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and Jonathan T. Silverstein, each of whom disclaims beneficial ownership of the ordinary shares held by OPI VI. Beneficial ownership information is based on information known to us and a Schedule 13 D/A filed with the SEC on January 26, 2018. The mailing address of OPI VI, OrbiMed GP VI, and OrbiMed Advisors is c/o OrbiMed Advisors LLC, 601 Lexington Avenue, 54th Floor, New York, NY 10022.
- (5) Consists of (a) 2,388,728 ordinary shares held directly by Vivo Ventures Fund VI, L.P., or Vivo VI, of which 1,126,760 are held in the form of ADSs, (b) warrants to purchase 370,871 ordinary shares held directly by Vivo VI, (c) warrants to purchase 2,717 ordinary shares held directly by Vivo Ventures VI Affiliates Fund, L.P., or Vivo Affiliates VI, (d) 11,990,717 ordinary shares held directly by Vivo Ventures Fund VII L.P., or Vivo VII, of which 6,942,840 are held in the form of ADSs, (e) 53,088 ordinary shares held directly by Vivo Ventures VII Affiliates Fund, L.P., or Vivo Affiliates VII, all of which are held in the form of ADSs, (f) 9,955,560 ordinary shares held directly by Vivo Ventures Fund Cayman VII, L.P., or Vivo Ventures Cayman VII, all of which are held in the form of ADSs, (g) warrants to purchase 1,462,477 ordinary shares held directly by Vivo VII, (h) warrants to purchase 31,874 ordinary shares held directly by Vivo Affiliates VII. Vivo Ventures VI, LLC, or Vivo Ventures VI, is the sole general partner of Vivo VI and Vivo Affiliates VI. Vivo Ventures VII, LLC, or Vivo Ventures VII, is the sole general partner of Vivo VII, Vivo Affiliates VII and Vivo Ventures Cayman VII. Vivo Ventures VI and Vivo Ventures VII disclaim beneficial ownership of all shares held by Vivo VI, Vivo Affiliates VI, Vivo VII, Vivo Affiliates VII and Vivo Ventures Cayman VII, except to the extent of any pecuniary interest therein. The managing members of Vivo Ventures VI are Drs. Albert Cha, Edgar Engleman and Frank Kung, each of whom may be deemed to have shared voting and dispositive power of the shares held by Vivo VI and Vivo Affiliates VI. The managing members of Vivo Ventures VII are

Drs. Albert Cha, Edgar Engleman, Frank Kung, and Mr. Shan Fu, each of whom may be deemed to have shared voting and dispositive power of the shares held by Vivo VII and Vivo Affiliates VII. Mahendra Shah, the Managing Director of Vivo Capital, is a member of our Board of Directors and disclaims beneficial ownership of these shares. Beneficial ownership information is based on information known to us and a Schedule 13G/A filed with the SEC on July 24, 2020. Vivo Ventures VI's and Vivo Ventures VII's mailing address is 192 Lytton Avenue, Palo Alto, CA, 94301.

- (6) Consists of 23,111,112 ordinary shares held directly by Perceptive Life Sciences Master Fund, Ltd., all of which are held in the form of ADSs. Beneficial ownership information is based on information known to us. The mailing address of Perceptive Life Sciences Master Fund, Ltd. is 51 Astor Place, 10th Floor, New York, NY 10003.
- (7) Consists of 1,027,056 ordinary shares, all of which are held in the form of ADSs.
- (8) Consists of 50,696 ordinary shares, all of which are held in the form of ADSs.
- (9) Consists of (a) 666,827 ordinary shares, 666,824 of which are held in the form of ADSs, and (b) 4,920 warrants to purchase ordinary shares that are exercisable within or that will be exercisable within 60 days of March 1, 2021.
- (10) Consists of 94,088 ordinary shares, all of which are held in the form of ADSs.
- (11) Consists of 139,200 options exercisable within 60 days of March 1, 2021. Rishi Gupta is a Partner at OrbiMed Advisors LLC and a member of our Board of Directors. Mr. Gupta does not have voting or dispositive power over any of the securities held by OrbiMed identified in footnote 4.
- (12) Consists of 54,760 ordinary shares, all of which are held in the form of ADSs.
- (13) Consists of 139,200 options exercisable within 60 days of March 1, 2021. Andrew Sinclair, Ph.D. is a Partner and Portfolio Manager at Abingworth LLP and a member of our Board of Directors. Dr. Sinclair does not have voting or dispositive power over any of the securities held by Abingworth VI.
- (14) Consists of (a) 55,456 ordinary shares, all of which are held in the form of ADSs, and (b) 120,384 options to purchase ordinary shares that are exercisable or that will be exercisable within 60 days of March 1, 2021.
- (15) Consists of (a) 317,912 ordinary shares, all of which are held in the form of ADSs, and (b) 18,200 restricted share units that will vest within 60 days of March 1, 2021.
- (16) Consists of 453,992 ordinary shares, all of which are held in the form of ADSs.
- (17) Consists of 351,664 options to purchase ordinary shares that are exercisable or that will be exercisable within 60 days of March 1, 2021.
- (18) Based on information known to the Company as of February 2, 2020, the date of Dr. Karlsson's departure from the Company. Consists of (a) 842,217 ordinary shares, 50,000 of which are held in the form of ADSs, and (b) 3,526,736 options to purchase ordinary shares that are exercisable or that will be exercisable within 60 days of March 1, 2021.
- (19) Consists of (a) 3,729,083 ordinary shares, 2,936,856 of which are held in the form of ADSs, (b) 5,404,680 options to purchase ordinary shares that are exercisable or that will be exercisable within 60 days of March 1, 2021, (c) 18,200 restricted share units that will vest within 60 days of March 1, 2021, and (d) 4,920 warrants to purchase ordinary shares that are exercisable within or that will be exercisable within 60 days of March 1, 2021.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires our directors, officers (as defined under Rule 16a-1(f) under the Exchange Act) and stockholders who beneficially own more than 10% of any class of our equity securities registered pursuant to Section 12 of the Exchange Act (collectively, the "Reporting Persons") to file initial statements of beneficial ownership of securities and statements of changes in beneficial ownership of securities with respect to our equity securities with the SEC. To our knowledge, based solely on our review of the copies of such forms filed with the SEC and upon written representations of the Reporting Persons received by us, we believe that there has been a late Form 3 filing in January 2021 for Rishi Gupta and a late Form 3 filing in January 2021 for Orbimed Advisors LLC.

Certain Relationships

POLICIES AND PROCEDURES FOR RELATED PERSON TRANSACTIONS

Our Board of Directors has adopted a written Related Person Transaction Policy, setting forth the policies and procedures for the review and approval or ratification of related person transactions. Under the policy, our finance department is primarily responsible for developing and implementing processes and procedures to obtain information regarding related persons with respect to potential related person transactions and then determining, based on the facts and circumstances, whether such potential related person transactions do, in fact, constitute related person transactions requiring compliance with the policy. If our finance department determines that a transaction or relationship is a related person transaction requiring compliance with the policy, our Chief Financial Officer is required to present to the Audit Committee all relevant facts and circumstances relating to the related person transaction. Our Audit Committee must review the relevant facts and circumstances of each related person transaction, including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party and the extent of the related person's interest in the transaction, take into account the conflicts of interest and corporate opportunity provisions of our Code of Business Conduct and Ethics, and either approve or disapprove the related person transaction. If advance Audit Committee approval of a related person transaction requiring the Audit Committee's approval is not feasible, then the transaction may be preliminarily entered into by management upon prior approval of the transaction by the chair of the Audit Committee subject to ratification of the transaction by the Audit Committee at the Audit Committee's next regularly scheduled meeting; provided, that if ratification is not forthcoming, management will make all reasonable efforts to cancel or annul the transaction. If a transaction was not initially recognized as a related person, then upon such recognition the transaction will be presented to the Audit Committee for ratification at the Audit Committee's next regularly scheduled meeting; provided, that if ratification is not forthcoming, management will make all reasonable efforts to cancel or annul the transaction. Our management will update the Audit Committee as to any material changes to any approved or ratified related person transaction and will provide a status report at least annually of all then current related person transactions. No director may participate in approval of a related person transaction for which he or she is a related person

The following are certain transactions, arrangements and relationships with persons who are, or were during the period beginning January 1, 2019, our directors, executive officers or shareholders owning 5% or more of our outstanding ordinary shares, or any member of the immediate family of any of the foregoing persons.

2020 PRIVATE PLACEMENT

On July 17, 2020, we entered into a securities purchase agreement (the "Purchase Agreement"), with certain purchasers. Pursuant to the Purchase Agreement, we agreed to sell an aggregate of 38,440,009 ADSs, each representing eight ordinary shares, and 48,088,896 non-voting ordinary shares, at a purchase price equal to \$4.50 per ADS and \$0.5625 per non-voting ordinary share (the "2020 Private Placement"). The Purchase Agreement contained customary representations and warranties from us and the selling shareholders and customary closing conditions. The closing of the 2020 Private Placement occurred on July 22, 2020. We received aggregate gross proceeds from the 2020 Private Placement of approximately \$200 million.

In connection with the 2020 Private Placement, we entered into a registration rights agreement with the purchasers (the "2020 Registration Rights Agreement"). Pursuant to the 2020 Registration Rights Agreement, we agreed to prepare and file a registration statement with the SEC no later than 30 days following the closing date for purposes of registering the resale of the ordinary shares underlying the ADSs and the ordinary shares into which the non-voting ordinary shares may be re-designated. We also agreed to use our commercially reasonable efforts to cause the registration statement to be declared effective by the SEC. Under 2020 Registration Rights Agreement, we agreed to pay all expenses relating to the registration, other than selling commission, discounts or brokerage fees and stock transfer taxes, subject to specified conditions and limitations.

The following table sets forth the aggregate number of ADSs and non-voting ordinary shares acquired by our directors, executive officers and our major shareholders in the 2020 Private Placement. Each ADS represents eight ordinary shares.

Participants ⁽¹⁾	ADSs	Non-Voting Ordinary Shares
RA Capital Healthcare Fund L.P.	4,596,313	43,339,542
Blackwell Partners LLC – Series A	503,687	4,749,354
AI Biotechnology LLC	5,555,556	—
Growth Equity Opportunities 17 LP	3,888,889	—
OrbiMed Private Investments VI, LP ⁽²⁾	3,777,778	—
Perceptive Life Sciences Masters Fund, Ltd.	2,888,889	—
Abingworth Bioventures VI, LP ⁽³⁾	1,555,556	—
Vivo Venture Fund Cayman VII, L.P. ⁽⁴⁾	1,244,445	—
Vivo Ventures Fund VII, L.P. ⁽⁴⁾	304,475	—
Vivo Ventures VII Affiliates Fund, L.P. ⁽⁴⁾	6,636	—
Novo Holdings A/S ⁽⁵⁾	1,111,111	—
David Zaccardelli, Pharm.D.	55,555	—
Mark W. Hahn	22,223	—
Martin Edwards, Ph.D.	6,666	—

- (1) Additional details regarding certain of these shareholders and their equity holdings are provided in this proxy statement under the caption “Security Ownership of Certain Beneficial Owners and Management.”
- (2) Associated with Rishi Gupta, one of our directors.
- (3) Associated with Andrew Sinclair, Ph.D., one of our directors.
- (4) Associated with Mahendra Shah, Ph.D., one of our directors.
- (5) Former holder of 5% or more of our outstanding ordinary shares.

CONCURRENT PLACEMENT

On July 14, 2020, we entered into a subscription agreement with David Ebsworth, Ph.D., one of our directors, pursuant to which Dr. Ebsworth purchased 222,216 ordinary shares at a purchase price per share of £0.45 concurrently with, and contingent upon, the 2020 Private Placement.

2016 REGISTRATION RIGHTS AGREEMENT

In July 2016, we entered into a registration rights agreement (the “2016 Registration Rights Agreement”), which provides certain demand registration rights to Abingworth Bioventures VI, LP (“Abingworth”), Growth Equity Opportunities Fund IV, LLC, OrbiMed Private Investments VI, LP (“OrbiMed”), and Vivo Ventures Fund VII, L.P., Vivo Ventures VII Affiliates Fund, L.P., Vivo Ventures Fund VI, L.P., and Vivo Ventures Fund VI Affiliates Fund, L.P. (collectively, “Vivo Capital”), with respect to the ordinary shares and any ADSs held by them.

Demand Registration Rights

At any time, the holders of at least a majority of the registrable securities as defined in the 2016 Registration Rights Agreement have the right to demand that we effect an underwritten public offering of their registrable securities pursuant to an effective registration statement under the Securities Act. These registration rights are subject to specified conditions and limitations including the right of the underwriters, if any, to limit the number of shares included in any such registration under specified circumstances. Upon such a request, we are required to use commercially reasonable efforts to effect the public offering.

Expenses of Registration

Under the 2016 Registration Rights Agreement we will pay all expenses relating to any registration under the registration rights agreement, other than selling commission, discounts or brokerage fees and stock transfer taxes, subject to specified conditions and limitations.

Termination of Registration Rights

The registration rights granted under the 2016 Registration Rights Agreement terminate upon the earlier to occur of (i) the fifth anniversary of the closing of global offering of ordinary shares offered by us, consisting of ordinary shares in the form of ADSs offered in the U.S. offering and ordinary shares offered in the European private placement, as described in our prospectus filed with the SEC on April 28, 2017, and (ii) the date on which there are no registrable securities remaining pursuant to the registration rights agreement.

OTHER AGREEMENTS AND TRANSACTIONS

Relationship Agreements

In June 2016, we entered into relationship agreements with each of Vivo Capital, OrbiMed and Abingworth, pursuant to which our relationship with such parties is regulated and their influence over our corporate actions and activities, and the outcome of general matters pertaining to us, are limited. Pursuant to the relationship agreements, we also agreed to appoint representatives designated by Vivo Capital, OrbiMed and Abingworth to our Board of Directors, who are Dr. Mahendra Shah, Mr. Rishi Gupta, and Dr. Andrew Sinclair, respectively. The appointment rights under the relationship agreements will automatically terminate upon (i) Vivo Capital, OrbiMed or Abingworth (or any of their associates), as applicable, ceasing to beneficially hold 6.5% of our issued ordinary shares, or (ii) our ordinary shares ceasing to be admitted to AIM. In addition, each of the relationship agreements will automatically terminate upon the first date which Vivo Capital, OrbiMed or Abingworth, as applicable, cease to have certain rights and obligations under the relationship agreements. Upon closing of the 2020 Private Placement, Vivo Capital and Abingworth ceased to beneficially hold 6.5% of our issued ordinary shares and, as a result, the appointment rights under the relationship agreements with such parties and the relationship agreements themselves automatically terminated as of July 22, 2020. On October 30, 2020, our ordinary shares were delisted from AIM and, as a result, the appointment rights under the relationship agreement with OrbiMed and the relationship agreement itself automatically terminated.

Indemnification Agreements

To the extent permitted by the U.K. Companies Act 2006, we are empowered to indemnify our directors against any liability they incur by reason of their directorship. We have also entered into a deed of indemnity with each of our directors and executive officers. In addition to such indemnification, we provide our directors and executive officers with directors' and officers' liability insurance.

Agreements with Our Executive Officers and Directors

We have entered into employment agreements with certain of our executive officers and service agreements with our non-executive directors, as well as separation agreements with certain of our former executive officers. See the section in this proxy statement entitled "Executive and Director Compensation."

Other Transactions

At December 31, 2020, there was a receivable of £nil (2019: £nil; 2018: £126 thousand) due from one director and two key management personnel relating to tax due on RSUs that vested in the year ended December 31, 2018. This receivable was repaid, together with interest at a rate of 3.9% per annum, by March 6, 2019. The Company notes that the transaction that generated this receivable was potentially a breach of Section 402 of the Sarbanes-Oxley Act of 2002. We may have inadvertently violated Section 13(k) of the Exchange Act (implementing Section 402 of the Sarbanes-Oxley Act of 2002) and may be subject to sanctions as a result.

Additional Information

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 THE 2022 ANNUAL GENERAL MEETING

Rule 14a-8 Proposals — Pursuant to Rule 14a-8 under the Exchange Act, shareholders who intend to have a proposal considered for inclusion in our proxy materials for presentation at our 2022 annual general meeting of shareholders must submit the proposal to the Company Secretary, Verona Pharma plc, c/o Shakespeare Martineau LLP, at 6th Floor, 60 Gracechurch Street, London, EC3V 0H, Attn: Ben Harber, in writing not later than 120 days before the anniversary of the date on which we sent our proxy materials for the AGM, or November 22, 2021, unless the date of the 2022 annual general meeting of shareholders is changed by more than 30 days from the date of the AGM, and must satisfy the requirements of the proxy rules promulgated by the SEC.

Other Proposals — Shareholders intending to include a proposal on the agenda for the 2022 annual general meeting of shareholders, irrespective of whether they intend to have the proposal included in our proxy statement, must comply with the requirements under our Articles of Association and English law. 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 Secretary, Verona Pharma plc, c/o Shakespeare Martineau LLP, at 6th Floor, 60 Gracechurch Street, London, EC3V 0H, Attn: Ben Harber, 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. Additionally, in accordance with our Articles of Association, shareholders who intend to nominate a director to be elected at the 2022 annual general meeting of shareholders must provide the Company Secretary with written notice of such nomination between 7 and 21 days prior to the date of such meeting, together with written notice signed by the director nominee regarding his or her willingness to be elected.

Proposals and nominations that are not received by the dates specified above, or otherwise do not meet all relevant requirements, will be considered untimely or improper, as applicable. You may contact Ben Harber, Company Secretary, c/o Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, EC3V 0HR, for a copy of the relevant provisions of our Articles of Association regarding the requirements for making shareholder proposals.

We reserve the right to reject, rule out of order, or take other appropriate action with respect to any proposal that does not comply with these or other applicable requirements.

OTHER MATTERS

No business shall be voted on at the AGM, except such items as included in the agenda for the AGM.

SOLICITATION OF PROXIES

The accompanying proxy is solicited by and on behalf of our Board of Directors, whose Notice of AGM is attached to this proxy statement, and the entire cost of such solicitation will be borne by us. In addition to the use of mail, proxies may be solicited by personal interview, telephone, e-mail and facsimile by our directors, officers and other employees who will not be specially compensated for these services. We will also request that brokers, nominees, custodians and other fiduciaries forward soliciting materials to the beneficial owners of shares held by such brokers, nominees, custodians and other fiduciaries. We will reimburse such persons for their reasonable expenses in connection therewith.

Certain information contained in this proxy statement relating to the occupations and security holdings of our directors and officers is based upon information received from the individual directors and officers.

HOUSEHOLDING

The SEC's rules permit us to deliver a single set of proxy materials to one address shared by two or more of our ADS holders. This delivery method is referred to as "householding" and can result in significant cost savings. To take advantage of this opportunity, we have delivered only one set of proxy materials to multiple ADS holders who share an address, unless we received contrary instructions from the impacted ADS holders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the proxy materials, as requested, to any ADS holder at the shared address to which a single copy of those documents was delivered. If you are an ADS holder and your household received a single set of proxy materials this year, but you would prefer to receive your own copy, or if you currently share an address with another ADS holder and wish to receive only one copy of proxy materials either now or in future for your household, please contact your bank or broker. If you have requested to be removed from the householding program, you will be removed within 30 days of receipt of your instructions at which time you will then be sent separate copies of the documents. 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.

VERONA PHARMA'S ANNUAL REPORT ON FORM 10-K

A copy of Verona Pharma's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, including financial statements and schedules thereto but not including exhibits, as filed with the SEC, will be sent to any shareholder of record as of the close of business on March 12, 2021 without charge upon written request addressed to:

Verona Pharma plc
Attention: General Counsel
Email: claire.poll@veronapharma.com
3 More London Riverside
London SE1 2RE
United Kingdom

A reasonable fee will be charged for copies of exhibits. You also may access our Annual Report on Form 10-K for the year ended December 31, 2020 at www.veronapharma.com/investors.

U.K. STATUTORY ANNUAL ACCOUNTS AND REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS OF VERONA PHARMA PLC FOR THE YEAR ENDED DECEMBER 31, 2020

Consistent with its obligations under the U.K. Companies Act 2006, our Board of Directors will present at the AGM our 2020 U.K. Annual Report. Accordingly, our Board of Directors will lay before the Company at the AGM the Company's 2020 U.K. Annual Report, 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 AGM. A copy of our U.K. statutory directors' remuneration report, including the annual report on remuneration, is included within Annex A to this proxy statement. A complete copy of our 2020 U.K. Annual Report will be sent separately to those shareholders who have opted in to receive a printed copy of the document no less than 21 days prior to the AGM. You will be provided an opportunity to raise questions in relation to such accounts and reports at the AGM via teleconference. Full accounts and reports will be available on the Company's website prior to and during the AGM.

EACH SHAREHOLDER IS URGED TO VOTE YOUR SHARES AS DESCRIBED IN THIS PROXY STATEMENT. PROMPTLY VOTING YOUR SHARES WILL ENSURE THE PRESENCE OF A QUORUM AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS AND WILL SAVE US THE EXPENSE OF FURTHER SOLICITATION.

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

By Order of the Board of Directors

David Zaccardelli, Pharm.D.
President and Chief Executive Officer

London, United Kingdom

March 19, 2021

