



**Verona Pharma**

**VERONA PHARMA PLC**

**Registered office: One Central Square, Cardiff, CF10 1FS, Wales, U.K.  
Incorporated in England and Wales with registered no. 5375156**

March 19, 2021

Dear Shareholder:

**2021 Annual General Meeting of Verona Pharma plc (“AGM”)**

This letter, the notice of AGM set out in this document (“Notice”) and associated materials for the AGM are being sent to you because, as of March 12, 2021 (being the latest practicable date before the circulation of this document), you are registered as a holder of voting ordinary shares in the register of members of Verona Pharma plc (the “Company”). However, this letter, the Notice and associated materials will also be available to holders of American Depositary Shares (“ADSs”) and contain information relevant to holders of ADSs.

I confirm that our AGM will be held electronically as a telephone meeting at 1:00 p.m. British Summer Time (8:00 a.m. Eastern Time) on Tuesday, April 27, 2021. The Notice is set out in this document and it contains the resolutions to be proposed at the AGM.

**Impact of COVID-19**

The health and wellbeing of the shareholders, employees and other stakeholders has been the Board of Directors’ priority in the planning of the AGM. In light of the restrictions on movement and gatherings imposed by the UK Government in response to the COVID-19 pandemic, and in accordance with our Articles, we have decided that the AGM will be held electronically as a telephone meeting.

**The Board of Directors strongly encourages all shareholders to exercise their votes by submitting their proxy in advance of the AGM and to appoint the Chairman of the AGM as their proxy with their voting instructions to ensure that the AGM is quorate and to vote on the proposed resolutions. You will not be able to vote your shares at the AGM via teleconference.**

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

The Board of Directors recognizes that the AGM provides an invaluable opportunity to engage directly with shareholders and to respond to any questions. Whilst there will be an opportunity for shareholders to attend a live Q&A session during the AGM, in order for the AGM to run in an expedient manner, the Board of Directors strongly encourages shareholders to submit any questions they may have relating to the business of the AGM in advance by email to the Company Secretary at [ben.harber@shma.co.uk](mailto:ben.harber@shma.co.uk) by **1:00 p.m. British Summer Time (8:00 a.m. Eastern Time) on April 23, 2021.**

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

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

If you are a holder of voting ordinary shares in the Company, please vote on the proposed resolutions by appointing a proxy. A form of proxy for use at the AGM is enclosed. **Whether or not you plan to attend the AGM via teleconference, you are strongly encouraged to appoint the Chairman of the AGM as your proxy**

**and to provide voting instructions in advance of the AGM. This is because neither shareholders nor any other named person will be able to attend the AGM in person and you will not be able to vote your shares at the AGM via teleconference.**

Shareholders are urged to submit their proxies as early as possible using the form of proxy sent to them with this notice and return it in accordance with the instructions printed on the form so as to be received by the Company Secretary, Verona Pharma plc, c/o Shakespeare Martineau LLP, 6<sup>th</sup> 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. In any event, it must be received by the Company Secretary by **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).

In order for your form of proxy to remain valid, you must continue to be registered as a holder of ordinary shares in the Company's register of members as of 1:00 p.m. British Summer Time (8:00 a.m. Eastern Time) on April 23, 2021. Therefore, 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 the Company Secretary to request a new form of proxy for its use.

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

### **Holders of American Depositary Shares**

In order to exercise your vote as a holder of an interest in the capital of the Company represented by ADSs, you or your bank, broker or nominee must be registered as a holder of ADSs in the ADS register **as of 5:00 p.m. Eastern Time on Friday, March 12, 2021 (the “ADS Record Date”)**.

If you hold ADSs through a bank, broker or nominee as of 5:00 p.m. Eastern Time on the ADS Record Date, the AGM documentation, including the ADS voting instructions, will be sent to your broker who should forward the materials to you. Please reach out to your broker to provide your voting instructions.

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

### **Contact 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.

### **Contact at Verona Pharma**

If at any point you require guidance, please contact Claire Poll, General Counsel, on email: claire.poll@veronapharma.com.

### **Recommendation**

You will find an explanatory note in relation to each of the resolutions in the attached proxy statement. The Directors consider that each resolution is in the best interests of the Company and its shareholders as a whole and is likely to promote the success of the Company. Accordingly, the Directors unanimously

recommend that Shareholders vote in favor of the resolutions to be proposed at the AGM, as they intend to do in respect of their own beneficial holdings.

Thank you for your ongoing support of Verona Pharma plc.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'D Ebsworth', with a long, sweeping flourish extending to the right.

**David Ebsworth, Ph.D.**  
*Chairman*



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VERONA PHARMA PLC

**Registered office: One Central Square, Cardiff, CF10 1FS, Wales, U.K.  
Incorporated in England and Wales with registered no. 5375156**

## **NOTICE OF 2021 ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON TUESDAY, APRIL 27, 2021**

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting (“AGM”) of Verona Pharma plc (the “Company”) will be held electronically as a telephone meeting at 1:00 p.m. British Summer Time (8:00 a.m. Eastern Time) on Tuesday, April 27, 2021. 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.

At the AGM, the following business shall be transacted:

### **Ordinary resolutions**

#### *Re-election of Directors*

1. To re-elect, as a Director of the Company, Dr. David Ebsworth, who retires in accordance with Article 26.2 of the Company’s Articles of Association and offers himself for re-election.
2. To re-elect, as a Director of the Company, Dr. Martin Edwards, who retires in accordance with Article 26.2 of the Company’s Articles of Association and offers himself for re-election.
3. To re-elect, as a Director of the Company, Dr. Sven Anders Ullman (known as “Anders Ullman”), who retires in accordance with Article 26.2 of the Company’s Articles of Association and offers himself for re-election.
4. To re-elect, as a Director of the Company, Lisa Deschamps, who retires in accordance with Article 21.2 of the Company’s Articles of Association and offers herself for re-election.

#### *U.K. statutory Annual Report*

5. To receive and adopt the U.K. statutory annual accounts and Directors’ report for the year ended December 31, 2020 and the report of the auditors thereon (the “2020 U.K. Annual Report”).

#### *U.K. statutory Remuneration Report and Policy*

6. To receive and approve, as a non-binding advisory resolution, the 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.
7. To receive and approve the U.K. Directors’ Remuneration Policy, as set out on pages 38 to 46 of the 2020 U.K. Annual Report, which, if approved, will take effect upon conclusion of the AGM.

#### *Appointment and remuneration of auditor*

8. To re-appoint PricewaterhouseCoopers LLP as the Company’s auditors, to hold office until the conclusion of the next annual general meeting of shareholders.
9. To authorize the Audit and Risk Committee to determine the auditors’ remuneration for the year ending December 31, 2021.

### *Authority to allot shares*

10. To authorize the Directors generally and unconditionally for the purposes of Section 551 of the U.K. Companies Act 2006 (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 shall replace any existing authorities to the extent not utilized at the date this resolution is passed and shall, 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 which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot such shares or grant Rights pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

### **Special resolution**

#### *Disapplication of pre-emption rights*

11. Subject to and conditional upon the passing of resolution 10 above, to authorize the 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 resolution 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 shall be limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £24,415,222.30, shall replace any existing disapplication of section 561 of the Companies Act to the extent not utilized at the date this resolution is passed and shall 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.

#### **By order of the Board:**

Ben Harber  
*Company Secretary*  
March 19, 2021

#### **Registered Office:**

One Central Square  
Cardiff, CF10 1FS, Wales,  
U.K.

### **Notes:**

#### **(1) Resolutions and voting**

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.

Resolutions 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. Resolution 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 will be made available on our website (<https://www.veronapharma.com>) as soon as reasonably practicable following the AGM and for the required period thereafter.

## **(2) Appointment of proxies**

Generally, members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. A proxy need not be a Shareholder of the Company. A Shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. **However, as more fully described in the letter from the Chairman accompanying this notice, under the current arrangements, proxies (other than the Chairman of the AGM) will not be able to vote during the AGM.** As a result, if a member wishes to appoint a proxy, they are strongly advised to appoint the Chairman of the AGM as their proxy in order for their vote to count. **To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the office of the Company Secretary, Verona Pharma plc, c/o Shakespeare Martineau LLP, 6<sup>th</sup> Floor, 60 Gracechurch Street, London EC3V 0HR BY HAND or BY POST, or BY EMAIL to ben.harber@shma.co.uk, so as to be received not less than 48 hours before the time fixed for the holding of the AGM or any adjournment thereof (as the case may be), excluding any part of a day which is not a working day.**

The return of a completed form of proxy will not preclude a shareholder from attending the AGM by telephone, should they 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.

The attached proxy statement explains proxy voting and the matters to be voted on in more detail. Please read the proxy statement carefully. For specific information regarding the voting of your ordinary shares, please refer to the proxy statement under the section entitled “*Questions and Answers About the Annual General Meeting.*”

In the case of a member that is a corporation, the form of proxy must be executed under its common seal or executed on its behalf by a duly authorized officer or attorney for the company. Any corporation which is a member may also appoint one or more representatives who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares.

To change your proxy instructions, simply submit a new form of proxy as set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy instructions received after the relevant cut-off time will be disregarded. Please contact the Company Secretary (as noted above) to obtain a new form of proxy. If you submit more than one valid proxy appointment, the appointment validly received last before the latest time for receipt of forms of proxy will take precedence. If the Company is unable to determine which form of proxy was last validly received, none of them shall be treated as valid in respect of that Ordinary Share.

Further, the appointment under the form of proxy may be terminated by the member prior to the commencement of the AGM (or any adjournment of the AGM). To be valid, the notice of termination of the authority of the person appointed to act as proxy must be deposited at the offices of the Company Secretary, Verona Pharma plc, c/o Shakespeare Martineau LLP, 6<sup>th</sup> Floor, 60 Gracechurch Street, London EC3V 0HR, no less than 48 hours before the time fixed for the holding of the AGM or any adjournment thereof (as the case may be).

## **(3) Appointment of proxy by joint members**

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).

## **(4) Issued shares and total voting rights**

As at the close of business on March 12, 2021 (being the latest practicable date prior to publication of this document), the Company’s issued ordinary share capital comprised 440,215,550 voting ordinary shares. Each voting ordinary share carries the right to one vote and therefore the total number of voting rights at the close of business on March 12, 2021 is 440,215,550.

**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, holders of ADSs as of 5:00 p.m. Eastern Time on March 12, 2021, the ADS Record Date, who do not provide the depositary bank with voting instructions on or before 10:00 a.m. Eastern Time on April 21, 2021, 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.**