

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

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Notice is hereby given that the 2019 Annual General Meeting of the Company will be held at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH United Kingdom at 11.00 am on 3 June 2019 for the purposes of considering and voting on the resolutions set out below. All resolutions will be proposed as ordinary resolutions.

ORDINARY RESOLUTIONS

Report and Accounts

1. To receive the consolidated financial statements and the reports of the Directors and the auditor for the year ended 31 December 2018.

Directors’ Remuneration

2. To approve the Directors’ Remuneration Policy as set out in the Annual Report and Consolidated Financial Statements of the Company for the year ended 31 December 2018.
3. To approve the Directors’ Remuneration Report (including the Remuneration Committee Chairman’s Statement but excluding that part containing the Directors’ Remuneration Policy) as set out in the Annual Report and Consolidated Financial Statements of the Company for the year ended 31 December 2018.

Re-election of Directors

4. To re-elect Patrick Vink as a Director of the Company.
5. To re-elect Julian Gilbert as a Director of the Company.
6. To re-elect Christine Soden as a Director of the Company.
7. To re-elect Edward Borkowski as a Director of the Company.
8. To re-elect John Brown as a Director of the Company.
9. To re-elect Scott Byrd as a Director of the Company.
10. To re-elect Pieter van der Meer as a Director of the Company.
11. To re-elect Johan Kördel as a Director of the Company.

Auditor

12. To re-appoint PricewaterhouseCoopers LLP as auditor of the Company to hold office until the conclusion of the Company's next Annual General Meeting.
13. To authorise the Directors of the Company to agree the remuneration of the Company's auditor.

Recommendation

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

By order of the Board

Christine Soden
Company Secretary

7 May 2019

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

Registered in England and Wales No: 09759376

EXPLANATORY NOTES - RESOLUTIONS

All the resolutions are proposed as ordinary resolutions, which means that, for each of those resolutions to be passed, more than 50% of the votes cast must be in favour of the resolution.

The notes below explain the proposed resolutions.

Resolution 1: Receiving the reports and accounts

The Directors must present the accounts and reports of the Company for the year ended 31 December 2018 to shareholders at the Annual General Meeting. These include the report of the Directors, the consolidated financial statements and the report of the auditor on the consolidated financial statements. Shareholders are being asked to receive the report and accounts.

Resolution 2: Approval of Directors' Remuneration Policy

The Directors' Remuneration Policy is set out on pages 40 to 45 of the Annual Report and Consolidated Financial Statements for the year ended 31 December 2018. It sets out the Company's policy on remuneration and potential payments to Directors in future. The Directors' Remuneration Policy must be approved by shareholders (by means of a separate resolution) at least once every three years.

Resolution 3: Approval of Directors' Remuneration Report

Shareholders are invited to approve the Directors' Remuneration Report, excluding the Directors' Remuneration Policy, which may be found on pages 32 to 39 of the Annual Report and Consolidated Financial Statements for the year ended 31 December 2018. It sets out the pay and benefits received by each of the Directors for the year ended 31 December 2018. In line with legislation this vote will be advisory and in respect of the overall remuneration package.

Resolutions 4-11 (inclusive): Re-election of Directors

In accordance with the 2016 UK Corporate Governance Code, all Directors of the Company will stand for re-election on an annual basis. Accordingly, Patrick Vink, Julian Gilbert, Christine Soden, Edward Borkowski, John Brown, Scott Byrd, Pieter van der Meer and Johan Kördel will retire and, being eligible will offer themselves for re-election at the Annual General Meeting. Biographies of each of the Directors are set out on pages 13 to 15 of the Annual Report and Financial Statements for the year ended 31 December 2018.

At the time of the IPO, both Pieter van der Meer and Johan Kördel stated their intention to stand down from the Board at this Annual General Meeting, however the Board now believes it to be in the best interests of the Company to retain their experience until such time as BARHEMSYS is approved and established on market.

Following a formal performance evaluation, the Board considers that each Director continues to be effective and demonstrates commitment to their respective roles. The Board is satisfied that Patrick Vink, John Brown and Edward Borkowski are independent in character and that there are no relationships or circumstances which are likely to affect their character or judgement.

Resolution 12: Re-appointment of auditor

The auditor of a public company must be appointed at each general meeting at which accounts are laid. Resolution 12 proposes the re-appointment of PricewaterhouseCoopers LLP, who have been in office since 2015, as auditor of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

Resolution 13: Authority to agree auditor's remuneration

Resolution 13 gives authority to the Directors, in accordance with standard practice, to agree the remuneration of the Company's auditor.

MEMBER NOTES:

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

1. Entitlement to attend and vote

To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of business on 30 May 2019. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

2. Proxies

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

- completed and signed by the appointor or their duly authorised attorney;
- sent or delivered to the Company's Registrars, Equiniti Limited, Aspect house, Spencer Road, Lancing, West Sussex BN99 6DA; and
- received by post or by hand by no later than 11.00 am on 30 May 2019 (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or a copy certified in accordance with the Power of Attorney Act 1971 or in some other manner approved by the Directors).

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

- (i) In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company stating their capacity (eg Director, Secretary).
- (j) Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
- (k) CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual (available via <http://www.euroclear.com/CREST>) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by our agent Equiniti Limited, whose CREST participant ID is RA19, by 11.00 am on 30 May 2019.
- (l) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
- (m) If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- (n) Save through CREST, we do not have a facility to receive proxy forms electronically. Therefore, you may not use any electronic address referred to in the proxy form or any related document to submit your proxy form.

3. Corporate representatives

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

4. Nominated persons

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

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

5. Issued share capital and total voting rights

As at close of business on 1 May 2019 (being the latest practicable business day prior to the publication of this notice), the Company's ordinary issued share capital consists of 53,329,205 ordinary shares of £0.02 each, carrying one vote each. Therefore, the total voting rights in the Company as at close of business on 1 May 2019 were 53,329,205.

6. Members' requests under s527 of CA 2006

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

7. Members' rights to ask questions

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

8. Inspection of documents

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

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

9. Communication

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

10. Website

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

11. Voting results

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