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**Neither this Document (nor any part of it) nor its distribution shall form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment whatsoever. This Document is being sent to you solely for the purpose of convening the General Meeting referred to below and to provide information to you as a member of the Company to help you to decide how to cast your vote in respect of the Resolutions. No reliance may be placed on this Document for any other purpose.**



*(Incorporated in England & Wales under the Companies Act 2006 with Registered No. 09320890)*

## **Proposed Disposal of interest in or wind-down of Motif BioSciences Inc.**

### **Share Capital Re-Organisation**

#### **Amendment of Articles**

**and**

#### **Notice of General Meeting**

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This Document (and the information contained herein) does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase securities, in the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa or any other jurisdiction where such an offer or solicitation would be unlawful. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or jurisdiction of the United States and may not be offered, sold, resold, or delivered, directly or indirectly, in or into the United States or to US persons unless the securities are registered under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws and regulations of any state or jurisdiction of the United States. The securities referred to herein were offered and sold to non-US persons outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act. There was no public offer of securities in the United States.

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This Document should be read as a whole. Your attention is drawn to the letter from the Interim Chairman of the Company which is set out on pages 9 to 13 (inclusive) of this Document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting.

The Notice of General Meeting, which is to be held at the offices of Reed Smith LLP at 599 Lexington Avenue, New York, New York 10022 at 1.00 p.m. EST (6.00 p.m. GMT) on 14 November 2019, is set out at the end of this Document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but in any event so as to be received by the Registrars at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, United Kingdom by no later than 6.00 p.m. on 12 November 2019 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Copies of this Document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Motif Bio plc at 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT from the date of this Document to the date of the General Meeting and also from the Company's website [www.motifbio.com](http://www.motifbio.com).

SP Angel Corporate Finance LLP ("SP Angel"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting exclusively as the Company's Nominated Adviser in connection with the matters referred to in this document and will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this Document in respect of the matters to be considered at the General Meeting. No representation or warranty, express or implied, is made by SP Angel as to any of the contents of this Document for which the Directors and the Company are responsible (without limiting the statutory rights of any person to whom this Document is issued). SP Angel has not authorised the contents of, or any part of, this Document, and no liability whatsoever is accepted by SP Angel for, the accuracy of any information or opinions contained in this Document or for the omission of any material information from this Document. SP Angel accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Document.

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### **Forward Looking Statements**

This Document contains "forward-looking statements" which include all statements (other than statements of historical facts) including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, and any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this Document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

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## EXPECTED TIMETABLE

This Document posted to Shareholders (by first class post)	25 October 2019
Latest time and date for receipt of Form of Proxy	12 November 2019 at 6.00 p.m.
General Meeting	14 November 2019 at 1.00 p.m. EST (6.00 p.m. GMT)
Expected Admission and Commencement of dealings in New Ordinary Shares	15 November 2019 at 8.00 a.m.

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Bruce Andrew Williams Dr. Graham George Lumsden Jonathan Eliot Gold Charlotta Ginman Dr. Craig Albanese Zaki Hosny Dr. Mary Lake Polan Andrew Kenneth William Powell	<i>Interim Non-executive Chairman</i> <i>Chief Executive Officer</i> <i>Interim Chief Financial Officer</i> <i>Non-executive Director</i> <i>Non-executive Director</i> <i>Non-executive Director</i> <i>Non-executive Director</i> <i>Non-executive Director</i>
<b>Company Secretary</b>	Liam O'Donoghue	
<b>Registered Office</b>	201 Temple Chambers 3-7 Temple Avenue London, EC4Y 0DT	
<b>Nominated Adviser and Broker</b>	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London, W1S 2PP	
<b>Solicitors to the Company</b>	DLA Piper UK LLP 3 Noble Street London, EC2V 7EE  Reed Smith LLP The Broadgate Tower 20 Primrose Street London, EC2A 2RS	
<b>United Kingdom Auditor</b>	PricewaterhouseCoopers LLP The Capitol 431 Union Street Aberdeen, AB11 6DA	
<b>Public and Investor Relations</b>	Walbrook PR Ltd 4 Lombard Street London, EC3V 9HD	
<b>Registrars</b>	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey, GU9 7DR	

## DEFINITIONS

The following shall apply throughout this document unless the context otherwise requires:

<b>“Act”</b>	the Companies Act 2006
<b>“ADSs”</b>	American Depositary Shares
<b>“AIM”</b>	a market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the “AIM Rules for Companies” published by the London Stock Exchange from time to time
<b>“Articles”</b>	the articles of association of the Company, as amended from time to time
<b>“Board” or “Directors”</b>	the board of directors of the Company, as set out on page 5
<b>“Business Day”</b>	a day, not being a public holiday, Saturday or Sunday on which clearing banks in London are open for business
<b>“Certificated Shareholder”</b>	a holder of Ordinary Shares in certificated form
<b>“certificated” or “in certificated form”</b>	not in uncertificated form (that is, not in CREST)
<b>“Circular” or “Document”</b>	this circular to shareholders dated 25 October 2019
<b>“Company”</b>	Motif Bio plc
<b>“Corporate Restructuring”</b>	the proposed corporate restructuring of the Company described in more detail in this document
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
<b>“CREST Manual”</b>	the CREST Manual published by Euroclear
<b>“CREST Member”</b>	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
<b>“CREST Participant”</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 001/3755)
<b>“CREST Sponsor”</b>	a CREST Participant admitted to CREST as a CREST sponsor
<b>“CREST Sponsored Member”</b>	a CREST Member admitted to CREST as a CREST sponsored member
<b>“Current Articles”</b>	the articles of association of the Company at the date of this document
<b>“Disclosure Guidance and Transparency Rules”</b>	the Disclosure Guidance and Transparency Rules published by the FCA from time to time
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited

<b>“FCA”</b>	Financial Conduct Authority
<b>“Form of Proxy”</b> or <b>“Proxy Form”</b>	the individual form of proxy enclosed with this Document for use by Shareholders in connection with the General Meeting
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended from time to time
<b>“General Meeting”</b> or <b>“GM”</b>	the general meeting of the Company convened for 14 November 2019, notice of which is set out at the end of this Document (including any adjournment of such meeting)
<b>“HABP/VAPB”</b>	hospital-acquired bacterial pneumonia/ventilator-associated bacterial pneumonia
<b>“Hercules Loan”</b>	the loan agreement entered into between the Company and Hercules Capital Inc., dated 14 November 2017, pursuant to which the Company received a loan of up to US\$20 million of which US\$15 million has been drawn down and approximately US\$7 million is currently outstanding
<b>“HMRC”</b>	Her Majesty’s Revenue & Customs
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Nasdaq”</b>	the Nasdaq Global Market
<b>“New Articles”</b>	the new articles of association of the Company to be adopted following the passing of Resolution number 4 at the General Meeting
<b>“New Ordinary Shares”</b>	the new ordinary shares of 0.01 pence which will exist following the capital reorganisation described in this Document
<b>“Notice of General Meeting”</b>	the notice of General Meeting set out at the end of this Document
<b>“Ordinary Shares”</b>	ordinary shares of 1 penny each in the capital of the Company
<b>“Overseas Shareholders”</b>	Shareholders who are resident in, or citizens of, a jurisdiction or territory outside of the United Kingdom (each being an <b>“Overseas Shareholder”</b> )
<b>“Participant ID”</b>	the identification code or membership number used in CREST to identify a particular CREST Member or other CREST Participant
<b>“Placing”</b>	the conditional placing by the Company as described in more detail in the Company’s announcement dated 2 October 2019
<b>“Placing Agent”</b>	SP Angel Corporate Finance LLP
<b>“Placing Price”</b>	0.42 pence per Placing Share
<b>“Placing Share”</b>	the ordinary shares to be issued pursuant to the Placing
<b>“Proposals”</b>	the Corporate Restructuring comprising the conditional loan amendment agreement with Hercules, the wind down or disposal of Motif BioSciences Inc., the Placing and the Capital Reorganisation, the further disapplication of pre-emption rights
<b>“Register”</b>	the register of members of the Company

<b>“Regulatory Information Service”</b>	has the meaning given to it in the AIM Rules for Companies
<b>“Resolutions”</b>	the resolutions to be tabled at the General Meeting
<b>“Shareholders”</b>	the holders of Ordinary Shares and <b>“Shareholder”</b> shall mean any one of them
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“uncertificated” or “in uncertificated form”</b>	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“United States”</b>	the United States of America

All references in this document to specified times are to GMT unless specified otherwise.

All references in this document to “£” or “pence” are to the lawful currency of the United Kingdom.

All references in this document to “US\$” or “Dollars” are to the lawful currency of the United States.

All references to legislation in this document are to English legislation unless the contrary is indicated.

## PART I

### LETTER FROM THE INTERIM CHAIRMAN

# Motif Bio plc

*(incorporated in England and Wales with registered number 09320890)*

*Directors:*

Bruce Andrew Williams *(Interim Non-Executive Chairman)*  
Dr Graham George Lumsden *(Chief Executive Officer)*  
Jonathan Eliot Gold *(Interim Chief Financial Officer)*  
Dr. Craig Albanese *(Non-Executive Director)*  
Charlotta Ginman *(Non Executive Director)*  
Zaki Hosny *(Non Executive Director)*  
Dr. Mary Lake Polan *(Non Executive Director)*  
Andrew Kenneth William Powell *(Non Executive Director)*

*Registered Office:*

201 Temple Chambers  
3-7 Temple Avenue  
London  
EC4Y 0DT  
United Kingdom

25 October 2019

*To the Shareholders of Motif Bio plc*

Dear Shareholder,

#### **1. Introduction**

On 30 September 2019, the Company announced its intention to conduct a Corporate Restructuring. The Directors believe that this Corporate Restructuring will provide the shareholders of Motif Bio plc (the "**Company**") with an opportunity to benefit from the monetisation of the iclaprim asset, benefit from the acquisition of an asset or company with growth potential whilst also being relieved of the liability and guarantee for the loan provided by Hercules Capital Inc ("**Hercules**") to Motif BioSciences Inc. ("**Motif Inc.**"), the Company's wholly owned subsidiary.

This is in light of the Directors belief that, following the guidance received during the FDA meeting on 19 September 2019, it would take several years and tens of millions of Dollars to enrol and complete a HABP/VABP Phase III trial for which the Directors further believe that a partner or other entity with a lower cost of capital would be better positioned to support.

The purpose of this Circular is to provide Shareholders with the background to the Proposals and explain why the Directors consider them to be in the best interests of the Company and its Shareholders, and why they recommend voting in favour of the Resolutions to be proposed at the General Meeting.

A notice convening a General Meeting for 1.00 p.m. EST (6.00 p.m. GMT) on 14 November 2019, at the offices of Reed Smith LLP at 599 Lexington Avenue, New York, New York 10022, to consider the Resolutions, is set out at the end of this Circular.

#### **2. General Meeting Resolutions**

Attached at the end of this Document is a formal notice convening the General Meeting, to consider, and if thought fit, pass the Resolutions to grant the Directors the authority to:

- sub-divide the Ordinary Shares into New Ordinary Shares;
- arrange the orderly sale and/or wind down of Motif Inc. with the result that the Company shall become an AIM Rule 15 cash shell;
- allot and issue New Ordinary Shares in connection with the Placing and other matters described in this Document and approve the disapplication of existing pre-emption rights in relation to the same; and
- amend the articles of association in relation to the subdivision of the Ordinary Shares and the creation of a class of Deferred Shares, as described further in this Document.

Resolutions 1 to 3 are ordinary resolutions and require a simple majority of the votes cast to be in favour of the Resolutions for the Resolution to be passed. Resolutions 4 and 5 are special resolutions and require approval by not less than 75 per cent. of the votes cast.

### **3. Hercules Loan**

As announced on 30 September 2019, the Company has reached an agreement in principle with its senior secured lender, Hercules, to extend the interest-only period of the Hercules Loan to 31 October 2019 and allow non-cash payment-in kind of the interest payment due on 1 October 2019. This is to conserve the Company's existing cash resources and curtail further expenses given limited availability of funds. In connection with this agreement to vary the Hercules Loan, the Company will provide Hercules with a warrant option to subscribe for ordinary shares equivalent to 5 per cent. of the Company's share capital after the Placing at an initial exercise price of 5 pence (such exercise price to be adjusted to the Placing Price subject to completion of the Placing).

In addition, the following has been conditionally agreed with Hercules, subject to the approval of Shareholders of the resolutions at the General Meeting:

1. Hercules will relinquish the loan guarantee provided by the Company and relieve it of any future obligations to Hercules or Motif Inc.;
2. Motif Inc. is expected to, and has already begun to, wind down operations and has hired an advisor to facilitate the sale of its iclaprim and other assets, ideally by transacting with a company that intends to develop and commercialise iclaprim;
3. Hercules will be granted a perfected security interest in all of the intellectual property of Motif Inc.; and
4. Hercules will receive a warrant option for an additional 20 per cent. of the Company's post capital raise outstanding ordinary shares at an exercise price of 5 pence (such exercise price to be adjusted to the Placing Price subject to completion of the Placing). With this warrant position, Hercules will benefit from the future success of the Company and potential upside in a successful monetisation of iclaprim.

### **4. Wind down/disposal of Motif Inc.**

The iclaprim-related assets and all other operations are owned by the Company's wholly-owned US subsidiary, Motif Inc. If approved by Shareholders, the wind down or disposal of Motif Inc. will result in the sale, wind-down or divestment of all or substantially all of the Company's existing business, assets and investments. This will result in a fundamental change of business and thereafter the Company will be classified as an AIM Rule 15 cash shell. As such, the Company will be required to make an acquisition which constitutes a reverse takeover under the AIM Rules within six months of completion of the wind down or disposal, failing which the Company's shares would be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would then be cancelled six months from the date of suspension should a reverse takeover not have been completed.

### **5. Capital Reorganisation**

As announced on 2 October 2019, the Company has conditionally raised £600,000 (US\$0.73 million) before expenses, through a placing of 142,857,143 Ordinary Shares at an issue price of 0.42 pence per Placing Share (the "**Placing Price**") to provide the Company with additional working capital in order to implement the proposed Corporate Restructuring.

The Placing Price is less than the nominal value of 1 penny per Ordinary Share. The Act prohibits the Company from issuing shares at a price below the nominal value. Accordingly, the Company is seeking shareholder approval to carry out a capital reorganisation through which it is proposed that each Ordinary Share will be subdivided into one new ordinary share of 0.01 pence (the "**New Ordinary Shares**") and one deferred share of 0.99 pence (the "**Subdivision**"). The nominal value of each New Ordinary Share will be 0.01 pence. The deferred shares will have no rights and the Company will not issue any share certificates or credit CREST accounts in respect of them. The deferred shares will not be admitted to trading on AIM.

Following the Capital Reorganisation, assuming the passing of the Resolutions, the number of New Ordinary Shares in issue and held by each Shareholder, will be equal to the number of Ordinary Shares currently in

issue. It is simply the nominal value of the Ordinary Shares which will change to result in the New Ordinary Shares. The New Ordinary Shares will continue to carry the same rights as those attached to the existing Ordinary Shares, save for the reduction in nominal value. If the Capital Reorganisation is passed at the General Meeting, Admission of the New Ordinary Shares is expected to occur on or around 15 November 2019.

The Subdivision will necessitate changes to the description of the Company's share capital in the Current Articles as outlined below in the Notice of General Meeting.

## **6. Future strategy**

If the Corporate Restructuring is approved by Shareholders and completes in accordance to its terms, the Company will be able to move forward as a debt-free, publicly-listed company seeking acquisition opportunities. The Company's Shareholders today will benefit from the following potential upsides:

- the proceeds from the sale of, or development and commercialisation of, the iclaprim asset above the amount required to repay the Hercules Loan (currently approximately US\$7.0 million) plus the costs of sale and/or wind down and other obligations of Motif Inc.;
- growth in value of any assets or company(ies) acquired by the Company;
- relief from the liability and guarantee for the Hercules Loan; and
- reduced cost structure to support the Company's initiatives to acquire assets or a company or companies as an AIM Rule 15 cash shell.

The Company's strategy includes Motif Inc. working with an advisor to facilitate the sale of the iclaprim and other assets, ideally by transacting with a company that intends to develop and commercialise it.

The Company will also seek to acquire a substantial business that is seeking an AIM quoted platform which will constitute a reverse takeover. The Board is agnostic in relation to sector but will focus on an acquisition that can create significant value for shareholders in the form of capital and/or dividends.

The Board will also continue to ensure that steps are taken to minimise the Company's costs and to preserve capital. This will be done through the following means:

### ***Board changes***

- The size of the Board will be reduced from the current eight (8) members to three (3) members;
- The Board is expected to be comprised of two executive directors, Graham Lumsden and Jonathan Gold, and one Non-Executive Chairman, Bruce Williams;
- Five (5) non-executive directors will be standing down from the board: Dr. Craig Albanese, Charlotta Ginman, Zaki Hosny, Dr. Mary Lake Polan and Andrew Powell;
- Accrued cash fees owed to non-executive directors amounting to US\$0.23 million will be forfeited;
- Directors have agreed to forfeit their currently outstanding vested and non-vested options; and
- All non-executive directors are expected to be issued with new warrant options in exchange for forfeiture of accrued fees and to ensure their continued interest in the success of the Company in acquiring one or more assets as an AIM Rule 15 cash shell company.

### ***Limited Operations for the Company***

- The cost structure of the Company will be limited to the investments required to fund a process to endeavour to complete one or more acquisitions as an AIM Rule 15 cash shell plus the costs required to meet regulatory and reporting obligations;
- A limited number of full or part time employees is expected to be employed from 1 January 2020;
- Executive Directors are expected to have new employment agreements that have considerably reduced rates of cash compensation;

- Executive Directors have agreed to forfeit their existing outstanding share options. Executive Directors will be expected to receive new incentives to incentivise success in acquiring a suitable and attractive asset for the Company; and
- No funds from the Placing are expected to be used for the wind-down or disposition of Motif Inc.

### ***De-list from Nasdaq and De-register in the US***

The Company is considering de-listing from Nasdaq as well as de-registering from US Securities and Exchange (SEC) reporting requirements. The Company has not made a final determination on this. The Board is expected to make an ultimate determination based on the costs, and ability to finance the costs, of access to the US capital markets compared to the potential value attributable to the US registration and Nasdaq listing.

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

The limited period that the Company has as an AIM Rule 15 cash shell to make an acquisition, the potential costs of maintaining a US listing and securities registration (should the Company continue to do so), the potential material costs of completing an acquisition and the constraints of a limited ability to raise equity with the currently reduced market capitalisation, support the importance for the Company to have disapplication of pre-emption rights on a larger number of shares than is typical for a UK listed company.

The Resolutions include the proposal for the disapplication of pre-emption rights on an aggregate of up to an additional 485,348,166 New Ordinary Shares (being an aggregate nominal value of £48,534.8166 and 100 per cent. of the issued share capital assuming completion of the Placing). The level of share issuance authorities being sought is to provide the Company better flexibility to respond to asset acquisition opportunities as well as for the Company to have flexibility if it chooses to access US capital markets during this period (should it be deemed appropriate).

The Company's Ordinary Shares trade on AIM and its ADSs trade on the Nasdaq Global Market in New York. Equity financings in the United Kingdom are now routinely done by way of an accelerated book build process following the introduction by the European Union of the Market Abuse Regulation (Regulation (EU) No 596/2014) in 2016. This is a rapid process with transactions often announced and closed within a matter of hours. A similarly rapid process is used for equity financings conducted in the United States. It is therefore important that in the event of an equity financing, the Company has authorities already in place for the disapplication of pre-emption rights to permit it to raise funds as efficiently as possible in either, or both markets, on the best terms available and in a timely fashion that may help to avoid unnecessary dilution of Shareholders.

UK market practice is that resolutions to disapply pre-emption rights are typically limited to 10 per cent. of share capital, irrespective of the cash flows, funding needs, development stage or sector of the business. The Directors believe there is a risk that Resolution 5 would receive a negative voting recommendation from proxy advisory agencies if they feel that the Company has not provided sufficient justification for a decision to seek authority to issue New Ordinary Shares on a non-pre-emptive basis in excess of the standard limits. For the reasons set out within this Document, the Board respectfully disagrees with this approach.

### **8. Action to be taken**

Whether or not you intend to be present at the General Meeting, you are requested to complete and return the relevant Form of Proxy as soon as possible and in any event, so as to be received by the Registrar, Share Registrars Limited, to arrive by no later than 6.00 p.m. on 12 November 2019. Completion and the returning of a Form of Proxy will not preclude you from attending and voting at the General Meeting should you so wish.

### **9. Recommendation**

**The Board considers the passing of the Resolutions proposed at the General Meeting to be in the best interests of the Company and its Shareholders as a whole and, accordingly, unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.**

**Shareholders should be aware that if the Proposals are not approved by Shareholders, the Group will no longer be able to continue operations and it would be expected that trading in the Ordinary Shares would be immediately suspended.**

**Bruce A. Williams**

*Interim Chairman*

## PART II

### NOTICE OF GENERAL MEETING

# Motif Bio plc

*(Incorporated in England and Wales under the Companies Act 2006 with registered no. 09320890)*

Notice is given that a general meeting of Motif Bio plc ("**Company**") will be held at 1.00 p.m. EST (6.00 p.m. GMT) on 14 November 2019 at the offices of Reed Smith LLP at 599 Lexington Avenue, New York, New York 10022, for the purposes of considering and, if thought fit, passing the following resolutions. Resolutions 1 to 3 will be proposed as ordinary resolutions and resolutions 4 and 5 will be proposed as special resolutions.

For the purposes of these Resolutions capitalised terms shall (unless the context requires otherwise) have the meaning ascribed to them in a circular from the Company to its Shareholders dated 25 October 2019 (the "**Circular**").

#### ORDINARY RESOLUTIONS

1. THAT, conditional upon Resolutions 2-5 being passed, with effect from the end of this General Meeting, each of the existing Ordinary Shares in issue, be divided into 1 ordinary share of 0.01 pence in nominal value ("**New Ordinary Shares**") having the same rights in all respects with the existing Ordinary Shares of 1 penny each, and one deferred share of 0.99 pence in nominal value ("**Deferred Shares**") having the rights and restrictions set out in the Articles of Association of the Company (the "**Articles**") as amended pursuant to Resolution 4 below.
2. THAT, conditional upon Resolutions 1 and 3-5 being passed, the orderly sale and/or wind down by the Company of Motif BioSciences Inc., its wholly owned subsidiary and sole operating business, be approved with the result that the Company shall become an AIM Rule 15 cash shell.
3. THAT, conditional upon Resolutions 1, 2, 4 and 5 being passed, the Directors be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Act to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares to such persons and at such times and generally on such terms and conditions as the Directors may determine, within the terms and restrictions following, namely:
  - (a) up to a maximum of 142,857,143 New Ordinary Shares in connection with the Placing, such authority expiring (unless previously renewed, revoked, varied or extended) on 29 November 2019;
  - (b) otherwise than pursuant to sub-paragraph 3(a) above, up to an aggregate of 7,142,857 New Ordinary Shares in connection with the granting of warrants to the Placing Agent, such authority expiring (unless previously renewed, revoked, varied or extended) on the fifth anniversary of completion of the Placing;
  - (c) otherwise than pursuant to sub-paragraphs 3(a) and 3(b) above, up to an aggregate of 24,267,408 New Ordinary Shares (being 5 per cent. of the issued share capital) awarded to Hercules in connection with the Corporate Restructuring, such authority expiring (unless previously renewed, revoked, varied or extended) on the fifth anniversary of completion of the Placing;
  - (d) otherwise than pursuant to sub-paragraphs 3(a), 3(b) and 3(c) above, up to an aggregate of 97,069,633 New Ordinary Shares (being 20 per cent. of the issued share capital) awarded to Hercules in connection with the Corporate Restructuring, such authority expiring (unless previously renewed, revoked, varied or extended) on the fifth anniversary of completion of the Placing; and
  - (e) otherwise than pursuant to sub-paragraphs 3(a), 3(b), 3(c) and 3(d) above, up to an aggregate of 485,348,166 New Ordinary Shares (being an aggregate nominal value of £48,534.8166 and 100 per cent. of the share capital assuming completion of the Placing).

This authority shall be in substitution for and shall replace any existing authorities to the extent not utilised at the date this resolution is passed and shall expire at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of any such offer or agreement as if the authorities conferred hereby had not expired.

## SPECIAL RESOLUTIONS

4. THAT, conditional upon Resolutions 1-3 and 5 being passed, the Articles be and are amended as follows:
  - (a) The existing article 4 be deleted and replaced with the following wording:

“The share capital of the Company is made up of ordinary shares of 0.01 pence per share (“**Ordinary Shares**”) and deferred shares of 0.99 pence per share (“**Deferred Shares**”).
  - (b) The following wording be insertion into a new article 5 after the amended article 4 as follows:

“5 Deferred Shares

    - (a) The Deferred Shares shall carry no rights to participate in the profits of the Company.
    - (b) On a return of capital on a winding up or dissolution of the Company (but not otherwise) the holders of Deferred Shares shall be entitled to participate in the distribution of the assets of the Company *pari passu* with the holders of the Ordinary Shares but only in respect of any excess of those assets above £1 trillion. The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.
    - (c) The holders of the Deferred Shares shall not be entitled, in their capacity as holders of such shares, to received notice of any general meeting of the Company or to attend, speak or vote at any such meeting.
    - (d) The Deferred Shares shall not be listed on any stock exchange nor shall any share certificates be issued in respect of such shares. The Deferred Shares shall not be transferable, save as referred below or with the written consent of the directors.
    - (e) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Deferred Shares and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose. A reduction by the Company of the capital paid up on the Deferred Shares shall be in accordance with the rights attached to the Deferred Shares and shall not involve a variation of such rights for any purpose and the company shall be authorised at any time to reduce its capital (subject to and in accordance with the Companies Act and without obtaining the consent of the holders of the Deferred Shares).”
  - (c) The remaining paragraphs of the Articles be renumbered accordingly.
5. That, conditional on Resolutions 1-4 being passed, the Directors be and they are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authorities conferred by resolution 1 as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:
  - (a) up to a maximum of 142,857,143 New Ordinary Shares in connection with the Placing, such authority expiring (unless previously renewed, revoked, varied or extended) on 29 November 2019;
  - (b) otherwise than pursuant to sub-paragraph 5(a) above, up to an aggregate of 7,142,857 New Ordinary Shares in connection with the granting of options to Placing Agent, such authority expiring (unless previously renewed, revoked, varied or extended) on the fifth anniversary of completion of the Placing;

- (c) otherwise than pursuant to sub-paragraphs 5(a) and 5(b) above, up to an aggregate of 24,267,408 New Ordinary Shares (being 5 per cent. of the issued share capital following completion of the Placing) in connection with the warrant option awarded to Hercules in connection with the Corporate Restructuring, such authority expiring (unless previously renewed, revoked, varied or extended) on the fifth anniversary of completion of the Placing;
- (d) otherwise than pursuant to sub-paragraphs 5(a), 5(b) and 5(c) above, up to an aggregate of 97,069,633 New Ordinary Shares (being 20 per cent. of the issued share capital) in connection with the warrant option awarded to Hercules in connection with the Corporate Restructuring, such authority expiring (unless previously renewed, revoked, varied or extended) on the fifth anniversary of completion of the Placing; and
- (e) otherwise than pursuant to sub-paragraphs 5(a), 5(b), 5(c) and 5(d) above, up to an aggregate of 485,348,166 New Ordinary Shares (being an aggregate nominal value of £48,534.8166 and 100 per cent. of the issued share capital assuming completion of the Placing).

This power shall expire at the conclusion of the next annual general meeting of the Company save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

By order of the board  
**Liam O'Donoghue**  
 Company Secretary

*Registered Office:*  
 201 Temple Chambers  
 3-7 Temple Avenue  
 London  
 EC4Y 0DT

**Notes:**

1. A member entitled to attend and vote at the General Meeting convened by this notice is entitled to appoint one or more proxies to attend, speak and vote in his or her stead. A proxy need not be a member of the Company.
2. To appoint a proxy you may use the form of proxy enclosed with this Notice of General Meeting. Please carefully read the instructions on how to complete the form of proxy. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the same, must reach the Company's Registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, United Kingdom by post or by scan and email to [voting@shareregistrars.uk.com](mailto:voting@shareregistrars.uk.com) not less than 48 hours before the time of holding the GM (excluding any part of a day that is not a working day). The form of proxy should therefore be completed and deposited with the Company's Registrars by 6.00 p.m. (GMT) on 12 November 2019 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). The completion and return of a form of proxy will not preclude a member from attending the GM and voting in person if he or she so wishes. If a member has appointed a proxy and attends the GM in person, such proxy appointment will automatically be terminated.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the register of members of the Company as at 6.00 p.m. (GMT) on 12 November 2019 or, in the event that the GM is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time of the adjourned meeting, shall be entitled to attend and vote at the GM in respect of the number of such shares registered in their name at the relevant time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the GM.
4. Any member may insert the full name of a proxy or the full names of two alternative proxies of the member's choice in the space provided with or without deleting "the Chairman of the meeting". A proxy need not be a member of the Company but must attend the meeting to represent the relevant member. The person whose name appears first on the form of proxy and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow. If this proxy form is signed and returned with no name inserted in the space provided for that purpose, the Chairman of the meeting will be deemed to be the appointed proxy. Where a member appoints as his/her proxy someone other than the Chairman, the relevant member is responsible for ensuring that the proxy attends the meeting and is aware of the member's voting intentions. Any alteration, deletion or correction made in the form of proxy must be initialled by the signatory/ies
5. You may appoint more than one proxy in relation to the GM provided each proxy is appointed to exercise 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. If you wish to appoint more than one proxy, please contact the Company's Registrars, Share Registrars Limited on 01252 821390 or +44 1252 821390 from outside the UK. Lines are open from 9.00 a.m. to 5.30 p.m. (GMT) Monday to Friday, excluding public holidays. Alternatively, you may write to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, United Kingdom for additional proxy forms and for assistance.
6. Any corporation which is a member of the Company can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same share.
7. Voting on all resolutions will be conducted by way of a poll, rather than on a show of hands.

8. A member's instructions to the proxy must be indicated in the appropriate space provided. 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 no voting indication is given, your proxy will vote or abstain from voting at his or her decision. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
9. This form of proxy must be signed by the appointor or his attorney duly authorised in writing. The power of attorney or other authority (if any) under which the form of proxy is signed, or a notarially certified copy of the power or authority, must be received by the Company's registrar with the form of proxy. If the appointor is a corporation, the form of proxy should be signed on its behalf by an attorney or duly authorised officer or executed as a deed or executed under common seal. In the case of joint holders, the signature of any one of them will suffice, but the names of all joint holders should be stated. If more than one holder is present at the meeting, the vote of the first named on the register of members of the Company will be accepted to the exclusion of other joint holders.
10. CREST members who wish to appoint a proxy or proxies through the CREST Electronic Proxy Appointment Service may do so for the GM and any adjournment(s) thereof by following the procedures described in the CREST manual. 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. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously-appointed proxy, must, in order to be valid, be transmitted so as to be received by Share Registrars Limited (ID 7RA36) no later than 6.00 p.m. (GMT) on 12 November 2019, or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (excluding any part of a day that is not a working day). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Share Registrars Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
11. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrars, in the case of a member which is a company, the revocation notice must be executed in accordance with the information above. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice must be received by the Registrars not less than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the Meeting or any adjourned Meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
12. You may not use any electronic address provided either in this notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

