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If you have recently sold or otherwise transferred all your Ordinary Shares, please pass this document and the accompanying document(s) to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY, NOR SHALL THERE BE ANY SALE, ISSUANCE OR TRANSFER OF SECURITIES REFERRED TO IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW. This document does not constitute a prospectus for the purpose of the Prospectus Rules of the UK Financial Conduct Authority (in its capacity as UK Listing Authority or otherwise) pursuant to Sections 85 and 87 of the FSMA, the London Stock Exchange or any other authority or regulatory body, and has not been approved for the purposes of Section 21 of the FSMA.



Vectura Group plc

Incorporated and registered in England and Wales under the Companies Act 1985
Registered number 03418970

Special Dividend of 19 pence per Existing Ordinary Share and a 6 for 5 Share Consolidation
Notice of General Meeting and Circular to Shareholders

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Vectura Group plc which is set out on pages 3 to 5 of this document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting referred to below. The Resolutions will be voted on by taking a poll, with each Shareholder having one vote for each share held.

Application will be made to the Financial Conduct Authority for the New Ordinary Shares arising from the proposed consolidation of the Company's ordinary share capital to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that dealings in the Existing Ordinary Shares will continue until 4.30 p.m. on 28 May 2021 and that Admission of the New Ordinary Shares will become effective and dealings for normal settlement will commence by or as soon as practicable after 8.00 a.m. on 1 June 2021.

Notice of the General Meeting of the Company to be held at 11.00 a.m. on Thursday, 27 May 2021 (or as soon thereafter as the 2021 annual general meeting of the Company to be held on the same day (the "2021 AGM") is concluded or adjourned) at our London office, Manning House, 22 Carlisle Place, Westminster, London SW1P 1JA is set out at the end of this document.

Shareholders will not be allowed to attend the General Meeting in light of the COVID-19 situation and the roadmap out of lockdown measures that have been implemented by the UK Government. Therefore, anyone seeking to attend the General Meeting will be refused entry. We will however be live streaming the meeting and there will be an opportunity for Shareholders to ask questions of the Board. Please note that this will not constitute attendance at the meeting and Shareholders will not be allowed to vote at the meeting, therefore Shareholders are requested to submit their votes by proxy and are encouraged to do so by electronic means. Please visit our website (www.vectura.com/investors/meetings-voting) for further information on how to join the live stream.

Please complete and submit a Form of Proxy either in hard copy or by electronic means in accordance with the instructions printed on the Form of Proxy as soon as possible but in any event so as to be received by not later than 11.00 a.m. on Tuesday 25 May 2021. If you hold Vectura Group plc shares in CREST, you may also appoint a proxy using CREST by following the instructions set out on page 15 of this document.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by our registrars, Computershare, please follow the instructions set out on page 14 of this document.

Unless otherwise stated, all references to times in this document are to London, UK time.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

THIS DOCUMENT INCLUDES FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND VECTURA GROUP PLC'S CONTROL AND ALL OF WHICH ARE BASED ON THE DIRECTORS' CURRENT BELIEFS AND EXPECTATIONS ABOUT FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE SOMETIMES IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "BELIEVE", "EXPECTS", "MAY", "WILL", "COULD", "SHOULD", "SHALL", "RISK", "INTENDS", "ESTIMATES", "AIMS", "PLANS", "PREDICTS", "CONTINUES", "ASSUMES", "POSITIONED", "ANTICIPATES", "CONFIDENT", "REALISATION", "CONSIDER" OR "TARGETS" OR THE NEGATIVE THEREOF, OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THESE FORWARD-LOOKING STATEMENTS INCLUDE ALL MATTERS THAT ARE NOT HISTORICAL FACTS. THEY APPEAR IN A NUMBER OF PLACES THROUGHOUT THIS DOCUMENT AND INCLUDE STATEMENTS REGARDING THE INTENTIONS, BELIEFS OR CURRENT EXPECTATIONS OF THE DIRECTORS CONCERNING, AMONGST OTHER THINGS, THE FUTURE RESULTS OF OPERATIONS, FINANCIAL CONDITION, PROSPECTS, GROWTH, STRATEGIES, AND DIVIDEND POLICY OF VECTURA GROUP PLC AND THE INDUSTRY IN WHICH IT OPERATES.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Vectura Group plc. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Such forward-looking statements contained in this document speak only as of the date of this document. Vectura Group plc and its Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Listing Rules, the Market Abuse Regulation, the Prospectus Rules or the Disclosure Guidance and Transparency Rules of the FCA.

AVAILABILITY OF HARD COPIES

If you have received this document in electronic form, you may request this document in hard copy form by calling the Computershare Shareholder helpline between 8.30 a.m. and 5.30 p.m. (London (UK) time) Monday to Friday (except public holidays in England and Wales) on 0370 707 1387. Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal, tax or investment advice or advice on the merits of the Special Dividend, the Share Consolidation or any Resolution. You may also request that all future documents, announcements and information to be sent to you in relation to the Special Dividend and/or Share Consolidation should be in hard copy form. Copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

IMPORTANT INFORMATION TO OVERSEAS SHAREHOLDERS

It is the responsibility of any person receiving a copy of this document outside the United Kingdom to satisfy himself or herself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required, or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such territory. If in doubt, such persons should consult their professional advisers. Persons (including, without limitation, nominees and trustees) receiving this document should not, in connection with the Special Dividend and/or Share Consolidation, distribute or send it into any jurisdiction when to do so would, or might, contravene local securities laws or regulations.

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Expected Timetable of Principal Events

Latest time and date for receipt of Forms of Proxy and CREST proxy instructions for the General Meeting	11.00 a.m. on Tuesday, 25 May
General Meeting	11.00 a.m. on Thursday, 27 May (or as soon thereafter as the 2021 AGM is concluded or adjourned)
Latest time of dealings in Existing Ordinary Shares	4.30 p.m. on Friday, 28 May
Latest time and date for election to participate in the DRIP for the Special Dividend	5.00 p.m. on Friday, 28 May
Record Date for the Special Dividend and for the Share Consolidation	6.00 p.m. on Friday, 28 May
Ordinary Shares marked ex-Special Dividend	Tuesday, 1 June
Commencement of dealings in New Ordinary Shares (after Share Consolidation)	By or as soon as practicable after 8.00 a.m. on Tuesday, 1 June
CREST accounts credited with New Ordinary Shares (after Share Consolidation)	Tuesday, 1 June
Despatch of certificates for New Ordinary Shares (after Share Consolidation)	No later than Friday, 11 June
Special Dividend becomes payable to Shareholders	Friday, 11 June
Purchase of New Ordinary Shares for participants in the DRIP	Commencing from Friday, 11 June

Notes

These dates and times are given on the basis of the Board's current expectations and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service and will be made available on the Company's website at www.vectura.com/investors/stock-exchange-announcements.

All events in the timetable following the General Meeting are conditional upon approval of Resolution 1 in the Notice of General Meeting. All events in the timetable from Admission of the New Ordinary Shares are also conditional upon Admission occurring.

Shareholder Helpline

If you have any questions about the Special Dividend and Share Consolidation, the DRIP or any of the other matters set out in the Circular, please call the Shareholder Helpline on 0370 707 1387 between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales). Calls to the Shareholder Helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones, and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, the Shareholder Helpline will be unable to give advice on the merits of the Special Dividend and Share Consolidation, the DRIP or any of the other matters set out in this Circular, or to provide financial, legal, tax or investment advice.

Vectura Group plc
One Prospect West
Chippenham
Wiltshire SN14 6FH
www.vectura.com

23 April 2021

To: Shareholders and for information purposes holders of awards under the Share Plans

Dear Shareholder

Background to the proposed Special Dividend and Share Consolidation

On 21 April 2021 the Company confirmed that GlaxoSmithKline ("GSK") had not petitioned the Supreme Court in relation to the US patent litigation concerning the Ellipta® products. This was the final route of appeal available to GSK in this case, and the matter is now considered to be fully resolved.

To date, Vectura has received £127.6 million from GSK in respect of the US patent litigation which comprises payment for the settlement of damages, associated interest and royalties accrued up to Q3 2020, and a payment for Q4 2020 ongoing royalties. The Board has determined that the Group is in a strong position to execute its growth plans without the need to utilise these proceeds.

On 21 April 2021, the Board proposed a special dividend of 19 pence per Existing Ordinary Share in the capital of the Company ("Special Dividend") which is expected to become payable to Shareholders on 11 June 2021. The Special Dividend totals approximately £113 million in aggregate. The Special Dividend is to be accompanied by a consolidation of the Company's ordinary share capital ("Share Consolidation"). The Board also intends to launch a one-off dividend reinvestment plan in respect of the Special Dividend only (and not any other future dividends) (the "DRIP"). Eligible Shareholders will have the opportunity to invest the proposed Special Dividend to purchase additional New Ordinary Shares in the Company through the DRIP, as further explained below.

The purpose of this document is to explain and to seek Shareholder approval for the Special Dividend and Share Consolidation, as well as the renewal of share buyback authority so that such authority continues to operate following the Share Consolidation. This document also provides details of the Company's DRIP.

General Meeting

The Special Dividend and the Share Consolidation are conditional on the approval of Shareholders to be sought at the General Meeting (the "GM") of the Company, to be held at 11.00 a.m. on Thursday, 27 May 2021 (or as soon thereafter as the 2021 AGM is concluded or adjourned) at our London office, Manning House, 22 Carlisle Place, Westminster, London SW1P 1JA. A notice convening the General Meeting is set out at the end of this Circular and an explanation of the proposed Resolutions is set out in paragraphs 1 to 3 inclusive of Appendix I.

At the General Meeting, the Company is also seeking Shareholder approval to refresh its general authority to make market purchases of its ordinary shares expected to be granted at the Company's 2021 AGM so that such authority continues to be available in respect of the New Ordinary Shares after the Share Consolidation. Further information is provided at paragraph 3 of Appendix I.

There are three Resolutions to be proposed at the GM and we will take each of these on a poll vote. This will be conducted at the meeting by means of a paper poll, with each Shareholder having one vote for each share held. The voting results will be notified to the London Stock Exchange as soon as possible following the conclusion of the meeting and posted on the Company's website.

The Board is closely monitoring the impact of Coronavirus (COVID-19) and it remains the intention of the Board to hold the GM as planned at 11.00 a.m. on Thursday 27 May 2021 (or as soon thereafter as the 2021 AGM is concluded or adjourned). However, Shareholders should note that the time, date and venue may change due to COVID-19 developments. Should there be any changes (including adjournment or postponement of the meeting) the Company will notify Shareholders in compliance with the Company's articles of association and the Listing Rules.

Under the roadmap out of lockdown published by the UK Government on 22 February 2021, public gatherings of more than six people or groups of any size from more than two different households will be prohibited on 27 May 2021, the date of the GM. The two Shareholders necessary for the GM to be quorate (this is likely to be two of the senior executives of the Company) will come from different households and as a result, other Shareholders will not be able to participate at the GM in person and those who attempt to gain entry to the GM in person will be refused entry.

The Company therefore requests that all of its Shareholders (i) appoint the Chair of the meeting as their proxy and (ii) submit their votes (via proxy) as early as possible and in any event by no later than 11.00 a.m. on Tuesday 25 May 2021 to ensure that their votes are counted. Due to possible delays in the postal service, please submit your proxies electronically if possible. If a Shareholder appoints a person other than the Chair of the meeting as their proxy, that other proxy will not be able to attend the GM and, as a result, that Shareholder's votes will not be counted.

This year we have decided to live stream the meeting where Shareholders can view the proceedings and there will also be an opportunity for Shareholders to ask questions of the Board. Please note that this will not constitute attendance at the meeting and Shareholders will not be allowed to vote at the meeting, therefore Shareholders are requested to submit their votes by proxy and are encouraged to do so by electronic means.

If the restrictions on public gatherings are lifted in full before the scheduled date of the GM and attendance in person at the GM becomes lawful, the Company will, in compliance with its articles of association and the Listing Rules, notify Shareholders of their right to attend the meeting in person, as well as any changes to the time, date or location of the GM.

If you have any questions regarding your shareholding (e.g. share certificates) or you have received more than one copy of the Notice, please call our registrars, Computershare, on 0370 707 1387.

Letter from the Chairman continued

Special Dividend

The proposed Special Dividend of approximately £113 million in aggregate represents 19 pence per Existing Ordinary Share. The Board is proposing to pay the Special Dividend to Shareholders on the Register as at 6.00 p.m. on 28 May 2021.

Subject to the passing of the relevant Resolutions at the GM, the Special Dividend is expected to become payable to Shareholders on 11 June 2021.

Shareholders may elect to participate in the DRIP in respect of the Special Dividend. The DRIP provides Shareholders with the opportunity to reinvest their Special Dividend payments to purchase additional New Ordinary Shares in the Company. Further details of the DRIP are set out below.

Share Consolidation

The effect of the Share Consolidation will be to reduce the number of Ordinary Shares in issue by approximately the same percentage as the total amount of the Special Dividend bears in relation to the market capitalisation of the Company before the Share Consolidation is carried out.

The Share Consolidation is therefore intended to maintain comparability, as far as possible, of the Company's share price before and after payment of the Special Dividend.

As all Existing Ordinary Shares will be consolidated, each Shareholder's percentage holding in the total issued share capital of the Company immediately before and after the implementation of the Share Consolidation will (save in respect of fractional entitlements) remain unchanged.

The Share Consolidation will replace every 6 Existing Ordinary Shares with 5 New Ordinary Shares. Fractional entitlements arising from the Share Consolidation will be aggregated and sold in the market on behalf of the relevant Shareholders. The proceeds of the sale (net of expenses) are expected to be sent to relevant Shareholders on 11 June 2021. Due to the cost of postage, proceeds of less than £5 will be retained by the Company and will be donated to a charity of the Company's election.

To effect the Share Consolidation it may be necessary to issue or buy back for cancellation up to 5 additional Existing Ordinary Shares so that the number of the Company's Existing Ordinary Shares is exactly divisible by 6.

For purely illustrative purposes, examples of the effects of the Special Dividend and the Share Consolidation in respect of certain holdings of Existing Ordinary Shares are set out below:

Existing Ordinary Shares	New Ordinary Shares	Special Dividend
100	83	£19.00
250	208	£47.50
500	416	£95.00
1,000	833	£190.00

These examples do not show fractional entitlements, details of which are set out in paragraph 2 of Appendix I.

Following the Share Consolidation, and assuming no further shares are issued or bought back (other than the potential issue or buy back for cancellation of up to 5 additional Existing Ordinary Shares referred to above) between 21 April 2021 (being the last practicable date prior to publication of this Circular) and the date on which the Share Consolidation becomes effective, the Company's total issued share capital will comprise 497,177,989 New Ordinary Shares. The New Ordinary Shares held by Shareholders will have the same rights, including voting and dividend rights, as the Existing Ordinary Shares.

Application will be made to the FCA for the New Ordinary Shares arising from the proposed consolidation of the Company's ordinary share capital to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

Further details of the Special Dividend and the Share Consolidation are set out in paragraphs 1 and 2 of Appendix I.

Dividend Reinvestment Plan

The Board intends to launch a Dividend Reinvestment Plan which will apply in respect of the Special Dividend only (and not any other future dividends).

The DRIP will be administered by the Registrar and provides you with the opportunity to reinvest your Special Dividend payments to purchase additional New Ordinary Shares in the Company. Reinvesting your Special Dividend can be a convenient and easy way to build up your shareholding.

Participation in the DRIP is available to Shareholders resident in the following jurisdictions only: Argentina, Botswana, Brazil, Chile, Gibraltar, Guernsey, Guinea, Hong Kong, Indonesia, Isle of Man, Jersey, Mexico, Namibia, Paraguay, Peru, South Africa, South Korea, Switzerland, Taiwan, and United Kingdom ("Eligible Shareholders"). As the United Kingdom is no longer a member of the European Union it is not possible for residents in the European Economic Area to participate in the DRIP.

As the DRIP does not require the issue of any further Ordinary Shares in the Company, and thereby does not lead to dilution of the value of the Ordinary Shares in the Company, the Directors believe that its introduction will be beneficial to Shareholders as a whole.

Further details, including the associated fees and charges, are contained in the DRIP Terms and Conditions which accompany the hard copy DRIP form of election and are available to view on and download from the Company's website at www.vectura.com/investors/meetings-voting and on Computershare's website at www.investorcentre.co.uk. Alternatively, you may request a hard copy of the DRIP Terms and Conditions by contacting Computershare via the Shareholder helpline on 0370 707 1387.

If you do not wish to participate in the DRIP, you need take no further action.

If you wish to participate in the DRIP, a form of election is enclosed together with a hard copy of the DRIP Terms and Conditions. Alternatively you can use the DRIP form election available on the Company's website at www.vectura.com/investors/meetings-voting and insert your Shareholder details, including your Shareholder reference number. You can also make an election online at www.investorcentre.co.uk, but you must first register if you are not already a member of Investorcentre. If you are a CREST member or sponsored by a CREST member and you wish to participate in the DRIP you must submit your election using the CREST system. You may also request a hard copy DRIP election form by contacting Computershare via the Shareholder helpline on 0370 707 1387. Further details are contained in the DRIP Terms and Conditions.

To participate in the DRIP in respect of the Special Dividend, Computershare must receive your completed election form, online application, or election using the CREST system by 5.00 p.m. on 28 May 2021.

Participation in the DRIP is at your option. This document does not constitute a recommendation to join the DRIP. The service may not be cost-effective for all participants, and the value of shares, and any income from them, can fall as well as rise. If you are in any doubt as to what action you should take, you should consult an appropriately qualified professional adviser.

Further details regarding the DRIP are contained in paragraph 5 of Appendix I.

Share Plans

Details of the impact of the Special Dividend and the Share Consolidation with respect to the Company's Share Plans are set out in paragraph 4 of Appendix I.

Taxation

A summary of certain taxation consequences of the Special Dividend and the Share Consolidation and the DRIP, for certain categories of UK-resident Shareholders and certain US Shareholders, is set out in paragraph 6 of Appendix I.

Shareholders should read paragraph 6 of Appendix I and, if they are in any doubt as to their tax position, consult their own independent tax advisers.

Action to be taken

Your vote is important to us. However, as mentioned above, given the roadmap out of lockdown measures in force at the date of this Notice, Shareholders may not attend the General Meeting in person and the Company therefore requests that all Shareholders submit their votes (via proxy) and appoint the Chair of the meeting as their proxy. If you are using a Form of Proxy, completed Forms of Proxy should be returned to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to arrive as soon as possible, and in any event so as to be received by Computershare no later than 11.00 a.m. on 25 May 2021. Alternatively, you may also use the Electronic Proxy Appointment facility to lodge your proxy appointment through the Registrar's website www.investorcentre.co.uk/eproxy. Further details are set out in the notes to the Form of Proxy.

If you hold shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Computershare (CREST participant ID number 3RA50) so that it is received by no later than 11.00 a.m. on 25 May 2021.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, by following the instructions set out on page 14 of this document.

Due to possible delays in the postal service, please submit your proxies electronically if possible.

If the circumstances change and the roadmap out of lockdown measures are lifted, the return of a completed Form of Proxy or CREST Proxy Instruction will not prevent you from attending the General Meeting and voting in person if you wish to do so. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.

Recommendation

Your Directors consider each Resolution to be in the best interests of the Company and its Shareholders as a whole and unanimously recommend you vote in favour of each of them, as they intend to do in respect of their own beneficial shareholdings.

Yours sincerely

Bruno Angelici
Chairman
Vectura Group plc

Appendix I

Further details of the Special Dividend and Share Consolidation, authority to purchase own shares, Dividend Reinvestment Plan and other relevant information

1. Special Dividend

Resolution 1 recommends a Special Dividend of 19 pence per Existing Ordinary Share. If Shareholders' approval is obtained, the Special Dividend will be paid on 11 June 2021 to those Shareholders on the Register at 6.00 p.m. on 28 May 2021, with an ex-dividend date of 1 June 2021.

Resolution 1 is proposed as an ordinary resolution and is conditional upon Resolution 2 and Admission occurring by or as soon as practicable after 8.00 a.m. on the Admission Date (or such later date or time as the Directors may determine in their absolute discretion).

2. Share Consolidation

The effect of the Share Consolidation proposed in Resolution 2 will be that Shareholders on the Register on the Record Date will, on the completion of the Share Consolidation, receive:

5 New Ordinary Shares for 6 Existing Ordinary Shares

and in that proportion for any other number of Existing Ordinary Shares then held. The proportion of the total issued share capital of the Company held by each Shareholder immediately before and following the Share Consolidation will, save for fractional entitlements, remain unchanged.

The nominal value of the Company's ordinary shares will change from £0.000271 per share to £0.0003252 per share.

Apart from having a different nominal value, each New Ordinary Share will carry the same rights as set out in the Company's articles of association that currently attach to the Existing Ordinary Shares.

To effect the Share Consolidation it may be necessary to issue or buy back for cancellation up to 5 additional Existing Ordinary Shares so that the number of the Company's Existing Ordinary Shares is exactly divisible by 6.

Mandates and other instructions for the payment of dividends will, unless and until revoked, continue to apply to the New Ordinary Shares.

Effects of proposal

For purely illustrative purposes, examples of the effects of the Special Dividend and the Share Consolidation in respect of certain holdings of Existing Ordinary Shares are set out below:

Existing Ordinary Shares	New Ordinary Shares	Special Dividend
100	83	£19.00
250	208	£47.50
500	416	£95.00
1,000	833	£190.00

These examples do not show fractional entitlements, the value of which will depend on the market value of the New Ordinary Shares at the time of sale, as set out below.

If a Shareholder's holdings of Existing Ordinary Shares cannot be consolidated into an exact number of New Ordinary Shares that Shareholder will be left with a fractional entitlement. New Ordinary Shares representing such fractional entitlements will be aggregated and sold in the market on behalf of the relevant Shareholder. It is expected that relevant Shareholders will be sent a cheque for their proportion of the

sale proceeds (net of expenses) that relate to any fractional entitlements, where the value of those proceeds for any individual Shareholder is £5 or more, on 11 June 2021 (or CREST Members will have their CREST accounts credited with the sale proceeds that relate to any fractional entitlements on 11 June 2021). Due to the cost of postage, proceeds of less than £5 will be retained by the Company and will be donated to a charity of the Company's election.

The Share Consolidation is conditional on Resolution 1 set out in the Notice of General Meeting and is conditional upon Admission occurring by or as soon as practicable after 8.00 a.m. on the Admission Date (or such later date or time as the Directors may determine in their absolute discretion).

3. Authority to purchase own shares

At the forthcoming 2021 AGM which is to be held on the same day as, but before, the General Meeting, the Company is seeking authority to make market purchases of the Company's Ordinary Shares. However, such authority is limited to the Company's Existing Ordinary Shares as required by the Companies Act 2006, and would not apply to the Company's New Ordinary Shares following the Share Consolidation.

Resolution 3 therefore seeks to grant the equivalent authority to make market purchases of the New Ordinary Shares following the Share Consolidation. The authority granted at the 2021 AGM in respect of the Existing Ordinary Shares will be no longer valid following the Admission of the New Ordinary Shares.

It is common practice for listed companies to have such authority, and the Directors consider that it is prudent for the Company to be granted such authority in respect of the New Ordinary Shares at the General Meeting.

The proposed authority is for a maximum nominal amount of £16,168, which represents not more than 10% of the expected nominal value of the Company's issued New Ordinary Share capital of £161,682 (following Admission) and will expire at the end of the AGM to be held in 2022 or, if earlier, on 30 June 2022.

The maximum price which may be paid for a New Ordinary Share is the higher of (1) an amount equal to 105% of the average of the middle-market quotations for the five business days preceding the purchase and (2) the higher of the price of the last independent trade and the highest current independent bid for a New Ordinary Share on the trading venue where the purchase is carried out. The minimum price that may be paid for a New Ordinary Share is its nominal value of £0.0003252.

Under the existing authority granted at the AGM held on 27 May 2020, the Company purchased a total of 9,723,935 Existing Ordinary Shares of an aggregate nominal amount of £2,635, representing approximately 1.63% of the nominal value of the Company's issued Existing Ordinary Share capital of £161,682 at 21 April 2021 (being the latest practicable date before publication of this Notice). Such authority will expire on the conclusion of the 2021 AGM.

The Company will only otherwise use this authority to purchase shares in the market after careful consideration by the Directors (taking into account market conditions, other investment opportunities, appropriate gearing levels and the overall financial position of the Company) and in circumstances where to do so would result in an increase in earnings per share and would be in the best interests of Shareholders generally.

The Directors intend that any shares purchased in the market under this authority will be cancelled or held as treasury shares, which may then be cancelled, sold for cash or used to meet the Company's obligations under its share schemes. Whilst held in treasury, the shares are not entitled to receive any dividends and have no voting rights. The Directors believe

that it is appropriate for the Company to have the option to hold its own shares in treasury and that doing so enables the Company to sell the shares quickly and cost effectively or use them to satisfy awards under the Company's employee share schemes and provides the Company with additional flexibility in the management of its capital base. The Directors will have regard to investor group guidelines which may be in force at the time of any such purchase, holding or resale of shares held in treasury.

As at 21 April 2021 (being the last practicable date before publication of this Circular), no shares were held in treasury by the Company.

If approved, this authority will expire at the end of the Company's next AGM or on 30 June 2022, whichever is earlier. The Directors intend to seek renewal of this authority at each AGM of the Company.

On 21 April 2021 (being the last practicable date before publication of this Circular), the Company had 23,057,739 options outstanding over the Existing Ordinary Shares, representing approximately 3.86% of the nominal value of the Company's issued Existing Ordinary Share capital. If the existing authority given at the Company's AGM in May last year and the authority now being sought by this resolution were to be exercised in full, and assuming the Share Consolidation becoming effective and no further Existing Ordinary Shares are issued or repurchased or options or awards granted after 21 April 2021, these options would represent approximately 4.79% of the Company's expected issued New Ordinary Share capital immediately following Admission. The Company has no warrants in issue in relation to its shares.

Save in respect of issues of shares in connection with employee share schemes and to effect the Share Consolidation, the Directors have no immediate plans to make use of the authority sought in Resolution 3.

4. Share Plans

Participants holding unvested conditional share awards and options under the Vectura 2015 Long-Term Incentive Plan, the Vectura Group Deferred Share Bonus Plan 2017, the Vectura 2014 Sharesave Scheme and matching awards under the Vectura Global Share Incentive Plan will not be entitled to receive the Special Dividend in respect of those awards and options.

The Directors have determined, in relation to those participants who will not be entitled to receive the Special Dividend, that, as the effect of the Share Consolidation will be to maintain comparability, as far as possible, of the Company's share price and to preserve the value of their share awards and options (subject to normal market fluctuations), the participants will not be disadvantaged by the Share Consolidation and so no adjustment to their share awards or options is required. Following the Share Consolidation, participants will be entitled, upon vesting of their share awards or exercise of their options, to receive the same number of New Ordinary Shares as the number of Existing Ordinary Shares to which they would have been entitled had the Share Consolidation not occurred.

Participants holding Existing Ordinary Shares within the Vectura Share Incentive Plan and the Vectura Global Share Incentive Plan will be eligible to receive the Special Dividend, and their Existing Ordinary shares will be subject to the Share Consolidation in the same way as other Shareholders.

As at 21 April 2021 (being the last practicable date prior to the publication of this Circular), there were 23,057,739 options outstanding over the Existing Ordinary Shares under the Share Plans.

The Share Plans are operated in such a way as to ensure that Ordinary Shares are not issued to employees under the Share Plans in excess of the maximum permitted percentage of the Company's issued share capital under the relevant institutional investor guidelines.

5. Dividend Reinvestment Plan

The DRIP will apply in respect of the Special Dividend only and not any other future dividend. The DRIP is administered by the Registrar and provides you with the opportunity to reinvest your Special Dividend to purchase additional New Ordinary Shares in the Company.

Participation in the DRIP is available only to Shareholders resident in the following jurisdictions only: Argentina, Botswana, Brazil, Chile, Gibraltar, Guernsey, Guinea, Hong Kong, Indonesia, Isle of Man, Jersey, Mexico, Namibia, Paraguay, Peru, South Africa, South Korea, Switzerland, Taiwan, and United Kingdom ("Eligible Shareholders"). As the United Kingdom is no longer a member of the European Union it is not possible for residents in the European Economic Area to participate in the DRIP.

If you choose to participate in the DRIP, a dealing fee of 0.75% of the value of the Ordinary Shares purchased will be charged (subject to a minimum fee of £2.50). Purchases will be subject to stamp duty or stamp duty reserve tax of 0.5%.

If you choose to join the DRIP, on payment of the Special Dividend by the Company, the Registrar will pool the Special Dividend payment to which you are entitled with the Special Dividend payments of all other participants in the DRIP. The Registrar will instruct a broker to buy as many New Ordinary Shares as can be bought using the pooled Special Dividend payments (after associated fees and charges have been deducted), and these will be allocated in line with each participating Shareholder's pro rata entitlement.

Since only whole New Ordinary Shares can be bought under the DRIP, there will usually be a small cash surplus left that is insufficient to buy another whole share. This cash surplus will be returned to relevant Shareholders.

Further details, including the associated fees and charges, are contained in the DRIP Terms and Conditions which accompany the hard copy DRIP form of election and are available to view on and download from the Company's website at www.vectura.com/investors/meetings-voting and also on Computershare's website at www.investorcentre.co.uk. Alternatively, you may request a hard copy of the DRIP Terms and Conditions by contacting Computershare via the Shareholder helpline on 0370 707 1387.

If you do not wish to participate in the DRIP, you need take no further action.

If you wish to participate in the DRIP, a form of election is enclosed together with a hard copy of the DRIP Terms and Conditions. Alternatively you can use the DRIP form election available on the Company's website at www.vectura.com/investors/meetings-voting and insert your Shareholder details, including your Shareholder reference number. You can also make an election online at www.investorcentre.co.uk, but you must first register if you are not already a member of Investorcentre. If you are a CREST member or sponsored by a CREST member and you wish to participate in the DRIP you must submit your election using the CREST system. You may also request a hard copy DRIP election form by contacting Computershare via the Shareholder helpline on 0370 707 1387. Further details are contained in the DRIP Terms and Conditions.

To participate in the DRIP in respect of the Special Dividend, the Registrar must receive your completed election form, online application, or election using the CREST system by 5.00 p.m. on 28 May 2021. Any valid applications or elections received after this time will not apply to the Special Dividend and will take effect only from the next dividend payment date.

If you choose to participate in the DRIP all (not part of) the Ordinary Shares you hold in the Company falling under a single Shareholder reference number will be included within the DRIP.

Once the purchase of New Ordinary Shares has been confirmed, the Registrar will send you an advice note, containing details of the purchase, within one Business Day of that purchase.

5. Dividend Reinvestment Plan continued

If you wish to cancel your DRIP election, you should notify the Registrar either by letter to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, via the website www.investorcentre.co.uk or through the CREST system by 5.00 p.m. on 28 May 2021.

Participation in the DRIP is at your option. This document does not constitute a recommendation to join the DRIP. The service may not be cost-effective for all participants, and the value of shares, and any income from them, can fall as well as rise. If you are in any doubt as to what action you should take, you should consult an appropriately qualified professional adviser.

6. Taxation

The following summary is intended as a general guide only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular Shareholder, nor should it be relied on.

A. United Kingdom Taxation

The following summary relates only to certain limited aspects of the UK taxation treatment of the Special Dividend, the related Share Consolidation and the Company's Dividend Reinvestment Plan. It is based on current UK tax law and what is understood to be the current practice of HM Revenue & Customs. It applies only to Shareholders who are resident for tax purposes in the UK and, in the case of individuals, domiciled or deemed domiciled in the UK for tax purposes only and to whom "split year" treatment does not apply (except in so far as express reference is made to the treatment of non-UK tax residents), who are the absolute beneficial owners of their shares and any dividends paid on them, and hold them as an investment (but not through an individual savings account ("ISA") or lifetime ISA or self-invested personal pension). The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their shares in connection with employment, dealers in securities, trusts, tax-advantaged schemes, banks, financial institutions, insurance companies and collective investment schemes) is not considered.

Shareholders who are in any doubt as to their tax position, or who may be subject to tax in a jurisdiction other than the UK, are strongly recommended to consult their own independent tax advisers.

Special Dividend

The Company is not required to withhold tax when paying a dividend, including the Special Dividend. Liability to tax on the Special Dividend will depend upon the individual circumstances of a Shareholder.

(i) UK tax resident individual Shareholders

Individual Shareholders who are resident for tax purposes and who do not have a branch or agency (or, in the case of a non-UK tax resident company, a permanent establishment) in the UK and receive the Special Dividend will not be liable to UK tax to the extent that (taking account of any other dividends received in the same tax year) such dividend falls within their first £2,000 of dividend income (the nil rate band) or their personal allowance.

To the extent that (taking account of any other dividends received by the Shareholder in the same tax year) the dividend does not fall within the nil rate band or personal allowance, it will be subject to income tax at 7.5 per cent (to the extent it is within the basic rate band), 32.5 per cent (to the extent it is within the higher rate band) or 38.1 per cent (to the extent it is within the additional rate band), in each case, when treated as the top slice of that Shareholder's income.

(ii) UK tax resident corporate Shareholders

For UK tax resident corporate Shareholders, it is likely that the Special Dividend will fall within one or more of the classes of dividend qualifying

for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules. Shareholders within the charge to corporation tax should consult their own independent tax advisers.

(iii) Non-UK tax resident Shareholders

Shareholders who are tax resident outside the UK for tax purposes and who do not have a branch or agency (or, in the case of a non-UK tax resident company, a permanent establishment) in the UK generally will not be subject to UK tax on dividends. A Shareholder who is tax resident outside the UK may be subject to non-UK taxation on dividend income under local law. A Shareholder who is tax resident outside the UK for tax purposes should consult his or her own independent tax adviser concerning his or her tax position in respect of the Special Dividend.

Share Consolidation

It is expected that, for the purposes of UK taxation on chargeable gains, the Share Consolidation will be treated as follows:

- (a) the New Ordinary Shares arising from the Share Consolidation will result from a reorganisation of the share capital of the Company. Accordingly, to the extent that a Shareholder receives New Ordinary Shares, the Shareholder should not be treated as making a disposal of all or part of the Shareholder's holding of Existing Ordinary Shares by reason of the Share Consolidation being implemented, and the New Ordinary Shares which replace a Shareholder's holding of Existing Ordinary Shares (the "New Holding") as a result of the Share Consolidation will be treated as the same asset acquired at the same time as the Shareholder's holding of Existing Ordinary Shares was acquired;
- (b) to the extent that a Shareholder receives cash by virtue of a sale on his or her behalf of any New Ordinary Shares to which he or she has a fractional entitlement, the Shareholder will not in practice normally be treated as making a part-disposal of the Shareholder's holding of Existing Ordinary Shares, the proceeds instead being deducted from the base cost of the Shareholder's New Holding. If those proceeds exceed that base cost, however, or if a Shareholder holds only one Existing Ordinary Share at the Effective Date and so is not entitled to any New Ordinary Shares, the Shareholder will be treated as disposing of part or all of his or her existing holding of Ordinary Shares and may, depending on his or her circumstances, be subject to tax on the amount of any chargeable gain realised;
- (c) on a subsequent disposal of the whole or part of the New Ordinary Shares comprised in the New Holding, a Shareholder may, depending on his or her circumstances, be subject to tax on the amount of any chargeable gain realised; and
- (d) non-UK tax resident Shareholders who do not have a branch or agency (or, in the case of a non-UK tax resident company, a permanent establishment) in the UK will generally not be subject to UK tax on disposal of the New Ordinary Shares. An individual Shareholder who has been UK tax resident but who ceases to be so resident or becomes treated as Treaty non-resident for a period of five years or less and who disposes of all or part of his or her New Ordinary Shares during that period may be liable to UK capital gains tax on his or her return to the UK, subject to any available exemption or relief.

Dividend Reinvestment Plan

It is expected that, for the purposes of UK taxation, Shareholders who elect to use the Special Dividend to buy additional New Ordinary Shares under the DRIP will be treated in the same manner as if he or she received the Special Dividend in cash. For capital gains tax purposes, the cost of the additional shares acquired with the Special Dividend, including any dealing charges and stamp taxes, should be the base cost of the additional shares purchased on the individual Shareholder's behalf.

6. Taxation continued

Transactions in Securities anti-avoidance

Under the provisions of Chapter 1 of Part 13 Income Tax Act 2007 (for individuals) and Part 15 Corporation Tax Act 2010 (for companies), in each case as amended, HM Revenue & Customs can, in certain circumstances, counteract tax advantages arising in relation to certain transactions in securities. It is not expected that these provisions should be engaged in respect of the Special Dividend, and no clearance has been or will be sought by the Company from HM Revenue & Customs in relation to their applicability to the Special Dividend.

B. United States Federal Income Taxation

The following is a discussion of certain US federal income tax consequences of the Special Dividend and related Share Consolidation to the US Holders described below, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a particular person. This discussion does not address US state, local or non-US tax consequences. The discussion addresses only US Holders who hold Existing Ordinary Shares as capital assets for US federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of a US Holder's particular circumstances, including alternative minimum tax consequences, any aspect of the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), commonly referred to as Medicare contribution tax, and consequences applicable to US Holders subject to special rules, such as:

- certain financial institutions;
- dealers and certain traders in securities;
- persons holding Existing Ordinary Shares as part of a straddle, conversion or other integrated transaction;
- persons whose functional currency for US federal income tax purposes is not the US dollar;
- partnerships or other entities classified as partnerships for US federal income tax purposes;
- tax-exempt organisations;
- persons holding Existing Ordinary Shares in connection with a trade or business conducted outside of the United States; or
- persons that own or are deemed to own 10 per cent or more of the Company's stock by vote or value.

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed US Treasury regulations, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis.

As used herein, a "US Holder" is a beneficial owner of the Existing Ordinary Shares that is, for US federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States, any state therein or the District of Columbia; or (iii) an estate or trust the income of which is subject to US federal income taxation regardless of its source.

US Holders should consult their own independent tax advisers concerning the US federal, state, local and non-US tax consequences of the Special Dividend and related Share Consolidation in their particular circumstances.

Except as described below, this discussion assumes that the Company has not been, and will not become, a passive foreign investment company ("PFIC") for US federal income tax purposes.

Special Dividend

The Special Dividend paid on Existing Ordinary Shares will be treated as dividend income to the extent paid out of the Company's current or accumulated earnings and profits (as determined under US federal income tax principles). To the extent the Special Dividend exceeds the Company's current and accumulated earnings and profits (as determined under US federal income tax principles), it will be treated first as a tax free return of capital to the extent of the US Holder's tax basis in its Ordinary Shares, and as a capital gain thereafter. Because the Company does not maintain records of earnings and profits in accordance with US federal income tax principles, it is expected that the Special Dividend will be reported as a dividend for US federal income tax purposes.

In the case of a Special Dividend paid in Pounds Sterling with respect to Ordinary Shares, the US dollar amount included in the US Holder's income will be calculated by reference to the exchange rate in effect on the date the Special Dividend is received by such US Holder regardless of whether the payment is in fact converted into US dollars at such time. If the Special Dividend is converted into US dollars on such date of receipt, a US Holder of Ordinary Shares generally should not be required to recognise a foreign currency gain or loss in respect of the dividend income. A US Holder of Ordinary Shares may have US-source foreign currency income or loss if the Special Dividend is converted into US dollars (or used to buy additional shares pursuant to the Dividend Reinvestment Plan) after the date of its receipt.

The Special Dividend will not be eligible for the dividends-received deduction generally allowed to US corporations under the Code. Subject to applicable limitations, the Special Dividend paid to certain non-corporate US Holders may be taxable at preferential rates. Non-corporate US Holders should consult their tax advisers to determine whether they are entitled to be taxed at these preferential rates. If the preferential rates apply and the sum of the Special Dividend and any other dividends that have ex-dividend dates during a period of 85 consecutive days (including the Special Dividend payment date) in the aggregate exceeds 10 per cent of a US Holder's adjusted basis in its Ordinary Shares (or, if the preferential rates apply and the sum of the Special Dividend and any other dividends that have ex-dividend dates during a period of 365 consecutive days (including the Special Dividend payment date) in the aggregate exceeds 20 per cent of the US Holder's adjusted basis in its Ordinary Shares), any loss on the sale or exchange of such Ordinary Shares would be treated as a long term capital loss to the extent of such dividend(s).

For U.S. federal income tax purposes, a US Holder that elects to use the cash Special Dividend to buy additional shares under the Dividend Reinvestment Plan will be treated as receiving the Special Dividend in cash, and then as using the cash to purchase additional shares. As noted above, if the Special Dividend is paid in Pounds Sterling which are, on subsequent dates, used to buy additional shares under the Dividend Reinvestment Plan, a US Holder may have a US-source foreign currency gain or loss as a result of such use of the Pounds Sterling.

Share Consolidation

A US Holder will not recognise a gain or loss in connection with the exchange of Existing Ordinary Shares for New Ordinary Shares in the Share Consolidation. The difference, as determined in US dollars, between the US Holder's tax basis allocable to the fractional entitlement and the cash received upon the sale of such entitlement will be a capital gain or loss, which will be a long-term capital gain or loss if the US Holder has held its Existing Ordinary Shares for more than one year.

A US Holder's tax basis in its New Ordinary Shares will equal its tax basis in its Existing Ordinary Shares. A US Holder's holding period for its New Ordinary Shares will include its holding period for the Existing Ordinary Shares exchanged therefor.

6. Taxation continued

Passive Foreign Investment Company Considerations

In general, a non-US company will be a PFIC for any taxable year in which (i) 75 per cent or more of its gross income consists of passive income (such as dividends, interest, rents and royalties, other than certain income derived in the active conduct of a trade or business); or (ii) 50 per cent or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. Because PFIC status depends upon the composition of a company's income and assets and the fair market value of its assets from time to time, and the Company has not conducted a review of its status as a PFIC for prior taxable years, there can be no assurance that the Company will not be, or was not, a PFIC for any taxable year. If the Company were treated as a PFIC for any taxable year during which a US Holder held Ordinary Shares, certain adverse US federal income tax consequences could apply to such US Holder upon a disposition of Ordinary Shares or receipt of certain excess distributions. US Holders are urged to consult their own independent tax advisers concerning the US federal income tax consequences to them if the Company has been or becomes a PFIC for any taxable year.

Information Reporting and Backup Withholding

Payment of the Special Dividend made within the United States or through certain US-related financial intermediaries generally are subject to information-reporting and backup withholding unless the US Holder is a corporation or other exempt recipient or, in the case of backup withholding, the US Holder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding from a payment to a US Holder will be allowed as a credit against the US Holder's US federal income tax liability and may entitle the US Holder to a refund, provided that the required information is furnished to the Internal Revenue Service on a timely basis.

7. Dealings and settlement following Share Consolidation

Application will be made to the FCA for the New Ordinary Shares arising from the proposed consolidation of the Company's total issued ordinary share capital to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that dealings in the Existing Ordinary Shares will continue until 4.30 p.m. on 28 May 2021 and that Admission of the New Ordinary Shares will become effective and dealings for normal settlement will commence by or as soon as practicable after 8.00 a.m. on 1 June 2021.

New share certificates in respect of the New Ordinary Shares following Share Consolidation are expected to be posted at the risk of Shareholders by 11 June 2021 to those Shareholders who hold their shares in Certificated Form. These will replace existing certificates which should then be destroyed. Following the issue of New Ordinary Shares, any existing share certificate(s) will be invalid and will become worthless. Pending the receipt of new certificates, transfers of New Ordinary Shares held in Certificated Form will be certified against the Register.

Shareholders who hold their entitlement to New Ordinary Shares in Uncertificated Form through CREST will have their CREST accounts adjusted to reflect their entitlement to New Ordinary Shares on 11 June 2021.

The current International Securities Identification Number (the "ISIN") (GB00BKM2MW97) in relation to the Existing Ordinary Shares will be disabled in CREST as at 6.00 p.m. on 28 May 2021. A new ISIN (GB00BNC0KZ36) in relation to the New Ordinary Shares will come into effect at 8.00 a.m. on 1 June 2021.

8. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (public holidays excluded) at our London office, Manning House, 22 Carlisle Place, Westminster, London SW1P 1JA from the date of this document up to and including the date of the General Meeting and for the duration of the General Meeting:

- (a) this document; and
- (b) the DRIP Terms and Conditions.

Dated: 23 April 2021

Appendix II

Definitions

The following definitions apply throughout this document and the accompanying Form of Proxy unless the context requires otherwise.

2021 AGM	the 2021 Annual General Meeting of the Company to be held at 10.30 a.m on Thursday 27 May 2021 at our London office, Manning House, 22 Carlisle Place, Westminster, London SW1P 1JA
Admission	the admission of the New Ordinary Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities
Admission Date	1 June 2021 (or such other date as the Directors may determine in their absolute discretion)
Annual General Meeting or AGM	an annual general meeting of the Company
Board	the board of Directors of the Company
Companies Act	the Companies Act 2006 (as amended)
Company or Vectura	Vectura Group plc
CREST	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations)
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars' Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
Directors	the directors of the Company
Dividend Reinvestment Plan or DRIP	the dividend reinvestment plan established by the Company with respect to the Special Dividend only, and administered by the Registrar
DRIP Terms and Conditions	the Terms and Conditions of the Dividend Reinvestment Plan which are available to view on and download from the Company's website at www.vectura.com/investors/general-meetings and also on Computershare's website at www.investorcentre.co.uk
Effective Date	the date on which entitlement to the Special Dividend and Share Consolidation becomes effective
Eligible Shareholders	Shareholders resident in the following jurisdictions: Argentina, Botswana, Brazil, Chile, Gibraltar, Guernsey, Guinea, Hong Kong, Indonesia, Isle of Man, Jersey, Mexico, Namibia, Paraguay, Peru, South Africa, South Korea, Switzerland, Taiwan, United Kingdom
Euroclear	Euroclear UK & Ireland Limited
Existing Ordinary Shares	the existing ordinary shares of £0.000271 each in the capital of the Company
FCA	the Financial Conduct Authority of the United Kingdom (or any successor body in respect thereof)
Form of Proxy	the form of proxy for use by holders of Existing Ordinary Shares accompanying this document in connection with the General Meeting
Fractional entitlement	an entitlement to a fractional New Ordinary Share
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting or GM	the general meeting of the Company convened for 11.00 a.m. on Thursday, 27 May 2021 (or as soon thereafter as the 2021 AGM of the Company is concluded or adjourned) (and any adjournment thereof)
in Certificated Form	not in Uncertificated Form
in Uncertificated Form	recorded on the Register as being held in uncertificated form on CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
ISIN	International Securities Identification Number
Listing Rules	the Listing Rules of the FCA for the purposes of Part VI of the FSMA
London Stock Exchange	London Stock Exchange plc
Market Abuse Regulation	the Market Abuse Regulation (EU) No. 596/2014 of the European Parliament and of the Council which became effective on 3 July 2016

Appendix II continued

New Ordinary Shares	the proposed new ordinary shares of £0.0003252 each in the capital of the Company resulting from the Share Consolidation
Official List	the official list maintained by the FCA
Ordinary Shares	prior to the Share Consolidation, the Existing Ordinary Shares and, thereafter, the New Ordinary Shares
PRA	the Prudential Regulation Authority of the United Kingdom (or any successor body in respect thereof)
Prospectus Rules	has the meaning set out in section 73A(4) of the FSMA
Record Date	6.00 p.m. on 28 May 2021 (or such other time and date as the Directors may determine)
Register	the register of members of the Company
Registrar or Computershare	Computershare Investor Services Plc, or any other registrar appointed by the Company from time to time
Resolutions	the resolutions set out in the notice convening the General Meeting which is set out at the end of this document
SEC	the United States Securities and Exchange Commission
Share Consolidation	the proposed consolidation to be effected by consolidating every 6 Existing Ordinary Shares into 5 New Ordinary Shares
Share Plans	the Vectura 2015 Long-Term Incentive Plan, the Vectura Deferred Share Bonus Plan 2017, the Vectura 2014 Sharesave Scheme, the Vectura Share Incentive Plan, the Vectura Global Share Incentive Plan, the 2002 Skyepharma PLC International Share Plan, the 2014 Skyepharma PLC International Share Plan, the Skyepharma PLC Share Purchase Plan 2001 and the Skyepharma Share Incentive Plan 2014
Shareholders	holders of Ordinary Shares in the Company
Special Dividend	the proposed special dividend of 19 pence per Existing Ordinary Share
subsidiary	has the meaning given to that term in the Companies Act
subsidiary undertaking	has the meaning given to that term in the Companies Act
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
Vectura Group	Vectura Group plc and its subsidiaries and subsidiary undertakings

The singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

Terms defined in the CREST Manual shall, unless the context otherwise requires, bear the same meanings where used in this document.

References to "£", "Sterling", "Pounds Sterling", "penny" and "pence" are to the lawful currency of the United Kingdom.

References to "\$", "US dollars" and "US\$" are to the lawful currency of the United States.

Vectura Group plc

Notice of General Meeting

Notice is hereby given that the General Meeting ("GM") of Vectura Group plc (the "Company") will be held at our London office, Manning House, 22 Carlisle Place, Westminster, London SW1P 1JA at 11.00 a.m. on Thursday, 27 May 2021 (or as soon thereafter as the 2021 annual general meeting of the Company to be held on the same day (the "2021 AGM") is concluded or adjourned) for the purpose of considering and, if thought fit, passing the following Resolutions. For the reasons given in the Chairman's letter that accompanies this Notice, under the current COVID-19 restrictions imposed by the UK Government, Shareholders will not be allowed to attend the GM in person.

Resolutions 1 and 2 will be proposed as ordinary resolutions and each such Resolution must receive over 50% of the votes cast to be passed.

Resolution 3 will be proposed as a special resolution and such Resolution must receive at least 75% of the votes cast in order to be passed.

Ordinary Resolutions

1 Special Dividend

THAT, conditional upon admission of the new ordinary shares of £0.0003252 each in the capital of the Company (the "New Ordinary Shares") to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities becoming effective by or as soon as practicable after 8.00 a.m. on 1 June 2021 (or such later time and/or date as the directors may in their absolute discretion determine) ("Admission") and Resolution 2, a dividend of 19 pence per ordinary share in the capital of the Company be and is hereby declared to be paid to each Shareholder on the register of members of the Company at 6.00 p.m. on 28 May 2021.

2 Share Consolidation

THAT, conditional upon Resolution 1 and Admission (as defined in Resolution 1), every 6 ordinary shares of £0.000271 each in the capital of the Company in issue and outstanding as at 6.00 p.m. on 28 May 2021 (or such other time and date as the Directors may determine) be consolidated into 5 ordinary shares of £0.0003252 each provided that, where such consolidation results in any member being entitled to a fraction of a New Ordinary Share (as defined in Resolution 1), such fraction shall, so far as possible, be aggregated with the fractions of a New Ordinary Share to which other members of the Company may be entitled and the Directors be and are hereby authorised to sell (or appoint any other person to sell to any person), on behalf of the relevant members, all the New Ordinary Shares representing such fractions at the best price reasonably obtainable to any person, and to pay the proceeds of sale (net of expenses) in excess of £5 in due proportion to the relevant members entitled thereto and that any Director (or any person appointed by the Directors) shall be and is hereby authorised to execute an instrument of transfer in respect of such shares on behalf of the relevant members and to do all acts and things the Directors consider necessary or expedient to effect the transfer of such shares to, or in accordance with the directions of, any buyer of any such shares.

Special Resolution

3 Authority to purchase own shares

THAT, conditional upon the passing of Resolutions 1 and 2 and Admission (as defined in Resolution 1) the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined by section 693(4) of the Companies Act 2006) of its ordinary shares of £0.0003252 on such terms and in such manner as the Directors may from time to time determine, provided that:

- (a) the Company shall not purchase ordinary shares with an aggregate nominal value of more than £16,168 (representing approximately 10% of the expected issued New Ordinary Share capital of the Company following Admission);
- (b) the Company shall not pay less than the nominal share value for an ordinary share (excluding expenses);
- (c) the Company shall not pay more (excluding expenses) for each ordinary share than the higher of (1) an amount equal to 105% of the average of the middle market price of an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Company agrees to buy the ordinary shares concerned and (2) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out;
- (d) this authority shall continue in force until the conclusion of the next AGM of the Company after the date on which this Resolution is passed or, if earlier, on 30 June 2022; and
- (e) the Company may agree before the authority terminates under this Resolution 3 to purchase ordinary shares where the purchase contract will or may be executed (either wholly or in part) after the authority terminates and the Company may complete such purchase contract notwithstanding that the authority has terminated.

By order of the Board

John Murphy
General Counsel and Company Secretary
23 April 2021

Registered in England and Wales
Registered Number:
03418970
Registered Office:
One Prospect West
Chippenham
Wiltshire
SN14 6FH

Notes for Shareholders

Explanations of the Resolutions

1. Explanations of the Resolutions are set out in paragraphs 1 to 3 inclusive of Appendix I of the Circular to Shareholders published by the Company on 23 April 2021 of which this Notice of General Meeting forms part.

Resolutions to be decided by a poll

2. All Resolutions proposed at this GM will be decided by a poll. This is a more transparent method of voting and means that the votes of all Shareholders, including those of our Shareholders who cannot attend the meeting but who submit a Form of Proxy, are counted.

Entitlement to attend and vote

3. To be entitled to attend and vote at this GM (and for the purpose of the determination by the Company of the number of votes that may be cast), the Company specifies, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, that Shareholders must be registered in the Register of Members of the Company as at 6.00 p.m. on 25 May 2021 (or, in the event of any adjournment, at 6.00 p.m. on the date that is two business days before the date of the adjourned meeting). However, due to the roadmap out of lockdown measures in force at the date of this Notice, Shareholders will not be permitted to attend the GM in person.

Changes to entries in the Register of Members after the relevant deadline shall be disregarded in determining the rights of any persons to attend and vote (and the number of votes they may cast) at this GM or adjourned meeting.

Appointment of proxies

4. Members of the Company entitled to attend, speak and vote at the GM are entitled to appoint a proxy to exercise on their behalf all or any of their rights to attend and to speak and vote at the GM. A Shareholder may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. However, due to the roadmap out of lockdown measures in force at the date of this Notice, Shareholders are requested to appoint the Chair of the meeting as their proxy as they will not be permitted to attend the GM in person. If a Shareholder appoints a person other than the Chair of the meeting as their proxy, that other proxy will not be able to attend the GM and as a result, that Shareholder's votes will not be counted. A proxy or proxies may be appointed by:
 - (a) completing and returning the accompanying hard copy Form of Proxy (see notes 12, 13 and 14);
 - (b) lodging a proxy using the internet (see note 15); or
 - (c) through the CREST electronic proxy appointment service (see notes 17 to 20 inclusive); or
 - (d) if you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by our registrars, Computershare. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 11.00 a.m. on Tuesday 25 May 2021 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

5. Given the roadmap out of lockdown measures in force at the date of this Notice, Shareholders may not attend the GM in person and should instead appoint a proxy. However, if the circumstances change and the roadmap out of lockdown measures are lifted, the return of a completed Form of Proxy, the lodgement of a proxy using the internet or any CREST Proxy Instruction will not prevent a Shareholder attending the GM and voting in person if he or she wishes to do so. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.
6. The statement of the rights of Shareholders in relation to the appointment of proxies in notes 4 and 5 above does not apply to Nominated Persons (see note 21). The rights described in notes 4 and 5 above can be exercised only by Shareholders of the Company.
7. 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 discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter that is put before the GM.
8. To change your proxy instructions, please submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
9. Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact Computershare's helpline on 0370 707 1387 or, if telephoning from outside the UK, on +44 370 707 1387 from Monday to Friday between 8.30 a.m. and 5.30 p.m. Calls to Computershare's 0370 number from landlines are typically charged up to 9p per minute; calls from mobiles typically cost between 3p and 55p per minute. Calls to Computershare from outside the UK are charged at applicable international rates. Calls may be recorded and monitored randomly for security and training purposes. Computershare cannot provide advice on the merits of the proposed Resolutions, or give any financial, legal or tax advice.
10. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed notice, clearly stating your intention to revoke your proxy appointment, to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. In the case of a Shareholder that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. 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. The revocation notice must be received no later than 11.00 a.m. on 25 May 2021, or 48 hours (excluding any part of a day which is a non-working day) before the time appointed for the holding of an adjourned GM. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then, subject to note 5, your proxy appointment will remain valid.

Appointment of proxy using hard copy Form of Proxy

12. A Form of Proxy that may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services PLC on 0370 707 1387. The notes to the Form of Proxy that accompanies this Notice explain how to direct your proxy to vote or withhold your vote on each Resolution.
13. In the case of joint holders, the signature of only one of the joint holders is required on the Form of Proxy. Where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the more 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 more senior).
14. To be valid, any hard copy Form of Proxy must be completed and signed and received by post or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11.00 a.m. on 25 May 2021, or 48 hours (excluding any part of a day which is a non-working day) before the time appointed for the holding of an adjourned GM or (in the case of a poll taken otherwise than at or on the same day as the GM or adjourned GM) for the taking of the poll at which it is to be used.
15. As an alternative to completing the hard copy Form of Proxy, you can submit your proxy by electronic means by lodging a proxy with Computershare Investor Services PLC using the internet at www.investorcentre.co.uk/eproxy. You will be asked to enter a Control Number, Shareholder Reference Number (SRN) and PIN, all of which are printed on the hard copy Form of Proxy, and to agree to certain terms and conditions. To be valid, a proxy lodged by electronic means must be lodged no later than 11.00 a.m. on 25 May 2021, or 48 hours (excluding any part of a day which is a non-working day) before the time appointed for the holding of an adjourned GM or (in the case of a poll taken otherwise than at or on the same day as the GM or adjourned GM) for the taking of the poll at which it is to be used.

Receipt of documents or information relating to proxies

16. You may submit any documents relating to proxies, such as any document necessary to show the validity of, or otherwise relating to, the appointment of a proxy or a notice of termination of the authority of a proxy, by email to externalproxyqueries@computershare.co.uk. Documents such as powers of attorney should be sent by post to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or alternatively you should contact the Computershare Shareholder helpline for assistance between 8.30 a.m. and 5.30 p.m. (London (UK) time) Monday to Friday (except public holidays in England and Wales) on 0370 707 1387. However, any Form of Proxy sent by email will not be valid. Any proxy should either be submitted in hard copy in accordance with note 14, by electronic means in accordance with note 15, or through the CREST electronic proxy appointment service in accordance with notes 17 to 20.

Appointment of proxies through CREST

17. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using 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.

18. 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 the specifications of Euroclear UK & Ireland Limited (the operators of CREST), and must contain the information required for such instruction, 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 the issuer's agent (ID 3RA50) by 11.00 a.m. on 25 May 2021 or 48 hours (excluding any part of a day which is a non-working day) before the time appointed for the holding of an adjourned GM or (in the case of a poll taken otherwise than at or on the same day as the GM or adjourned GM) for the taking of the poll at which it is to be used. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent 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.
19. 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 message. 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, 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 regard, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
20. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Nominated persons

21. If you are a person who has been nominated by a Shareholder under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person"):
 - (a) You may have a right under an agreement between you and the Shareholder who has nominated you to have information rights (the "Relevant Member") to be appointed, or to have someone else appointed, as a proxy for the GM. However, due to the roadmap out of lockdown measures in force at the date of this Notice, Nominated Persons and any person appointed as a proxy (other than the Chair of the meeting) will not be permitted to attend the GM in person.
 - (b) If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

Notes for Shareholders continued

Nominated persons continued

- (c) Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Issued shares and total voting rights

- 22. As at 21 April 2021 (being the last practicable date before publication of this Notice) the Company's issued share capital consisted of 596,613,587 ordinary shares of £0.000271 each, carrying one vote each. At 21 April the Company did not hold any shares in treasury. Therefore, the total number of voting rights in the Company as at 21 April 2021 was 596,613,587.
- 23. Further information can be found at www.vectura.com about:
 - (a) the matters set out in this Notice of Meeting;
 - (b) the total number of shares in the Company and the shares of each class in respect of which Shareholders are entitled to exercise voting rights at the GM;
 - (c) the total number of voting rights that Shareholders are entitled to exercise at the GM in respect of the shares of each class; and
 - (d) any Shareholders' statements, Shareholders' Resolutions and Shareholders' matters of business received by the Company after the date of this Notice of Meeting.

Entitlement to ask questions

- 24. Given the roadmap out of lockdown measures in force at the date of this Notice, Shareholders may not attend the GM in person and should instead appoint a proxy. However, if the circumstances change and the roadmap out of lockdown measures are lifted, pursuant to section 319A of the Companies Act 2006, any Shareholder attending the GM has the right to ask questions relating to the business being dealt with at the meeting. In certain circumstances, prescribed by section 319A, the Company need not answer a question. For example, where answering the question would interfere unduly with the operation of the meeting or involve disclosure of confidential information, or where the answer is in the interests of the Company undesirable.

Details of communications

- 25. Except as provided above, Shareholders who wish to communicate with the Company in relation to the GM should do so by writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. No other methods of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice of Meeting or in any related documents (including in the Chairman's letter and the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.



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