

(Incorporated and registered in Jersey No. 99854)

#### This document is important and requires your immediate attention.

If you are in any doubt as to the action you should take, you should consult an independent advisor authorized under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or another appropriately authorized independent advisor if you are in a territory outside the United Kingdom.

If you have transferred or sold all of your shares in the Company, please forward this document, together with any accompanying documents, to the transferee or purchaser or to the agent through whom you acted for forwarding to the transferee or purchaser.

Dear Shareholder,

#### **Annual General Meeting 2016**

The Annual General Meeting of Shire plc (the "AGM" or the "Meeting") will be held at The Merrion Hotel, Upper Merrion Street, Dublin 2, Ireland on April 28, 2016, at 11:30am.

The Notice of Meeting ("Notice") is set out on pages 4 and 5 of this document.

#### Votino

If you would like to vote on the resolutions but are unable to attend and vote in person, you may appoint a proxy (further details can be found on page 9 of this document):

- (i) by completing and returning the enclosed Form of Proxy;
- (ii) electronically via www.shareview.co.uk or www.sharevote.co.uk; or
- (iii) via the CREST electronic proxy appointment service if you hold your shares through CREST.

Submitting a Form of Proxy will ensure that your vote is recorded but will not prevent you from attending the AGM.

## **Explanation of the AGM Resolutions**

The following paragraphs provide background to the resolutions to be proposed at the Meeting.

# **Resolution 1: Annual Report and Accounts**

The Directors are required to lay before the AGM the Annual Report and Accounts of the Company for the year ended December 31, 2015.

#### **Resolution 2: Directors' Remuneration Report**

Shareholders are requested to approve the Directors' Remuneration Report (other than the Directors' Remuneration Policy) set out on pages 76 to 101 of the 2015 Annual Report and Accounts. The vote upon this resolution will be advisory and not specific to individual levels of remuneration. The Directors' Remuneration Policy (set out on pages 78 to 86 of the 2014 Annual Report and Accounts) was approved by shareholders at the last AGM held on April 28, 2015, and remains in effect.

## Resolutions 3 to 12: Election and re-election of Directors

Under the Company's Articles of Association, any Director who has been appointed by the Board since the last AGM is required to stand for election by shareholders. Jeffrey Poulton was appointed to the Board on April 29, 2015; Olivier Bohuon on July 1, 2015; and Sara Mathew on September 1, 2015. The Board considers that Mr. Poulton's financial, commercial and strategic acumen, Mr. Bohuon's international business and leadership experience and Ms. Mathew's financial, strategic and technological experience complement the Board's breadth of skill and experience and therefore recommends each Director for election.

In accordance with the provisions of the UK Corporate Governance Code (the "Governance Code"), all other Directors of the Company, with the exception of David Kappler, will stand for re-election to the Board. As previously announced, David Kappler will step down from the Board following the conclusion of the AGM. Following a formal, externally facilitated, Board performance evaluation, it was concluded that each of the Directors seeking re-election evidenced continued effective performance and commitment to their role. The Board has reviewed the independence of the Non-Executive Directors, other than the Chairman, in accordance with the factors set forth for consideration in the Governance Code and determined that each continues to be independent. The Board regards each of its members as possessing the skills, knowledge and experience necessary for it to function effectively. The Board recommends each of these Directors for re-election.

Biographical details of each Director standing for election or re-election can be found on pages 6 to 8 of this document.

# Resolution 13: Re-appointment of Auditor

The Company is required to appoint an Auditor at each general meeting at which accounts are presented to shareholders, to hold office until the conclusion of the next such meeting. Accordingly, it is proposed that Deloitte LLP be re-appointed as the Company's Auditor.

## **Resolution 14: Remuneration of Auditor**

The Board has delegated responsibility for fixing the Auditor's remuneration to the Audit, Compliance & Risk Committee. The purpose of this resolution is to authorize the Audit, Compliance & Risk Committee to determine the remuneration of the Auditor.

#### Resolution 15: Authority to allot shares

Paragraph (a) of this resolution proposes that authority be given to the Directors to allot Relevant Securities (as defined in the Company's Articles of Association) within the limits of the authorized share capital up to a nominal amount of £9,886,710.20 (representing 197,734,204 Ordinary Shares), representing one-third of the total Ordinary Share capital of the Company in issue (excluding Ordinary Shares held in treasury) on March 11, 2016; the latest practicable date before publication of this document.

Paragraph (b) of this resolution proposes that authority be given to the Directors to allot Relevant Securities in connection with a rights issue in favor of Ordinary shareholders up to an aggregate nominal amount equal to £19,773,420.40 (representing 395,468,408 Ordinary Shares), as reduced by the nominal amount of any shares issued under paragraph (a) of this resolution. This amount (before any reduction) represents two-thirds of the total Ordinary Share capital of the Company in issue (excluding Ordinary Shares held in treasury) on March 11, 2016; the latest practicable date before publication of this document.

The Investment Association ("IA") guidelines on Directors' authority to allot shares permit, and treat as routine, resolutions seeking authority to allot shares representing up to two-thirds of the Company's issued share capital, provided that the authority under paragraph (b) can only be used to allot shares pursuant to a fully pre-emptive rights issue. In the event that the authority in paragraph (b) is exercised, the IA's recommendation is that Directors should all seek re-election at the following AGM. As all Directors stand for annual re-election or election, this would occur as a matter of course.

As at March 11, 2016, the latest practicable date before publication of this document, 7,971,461 Ordinary Shares were held by the Company in treasury, representing 1.34% of the Company's issued share capital (excluding treasury shares).

The Board has no present intention of exercising such authority, which is a standard authority taken by many UK listed companies each year and which will expire on the earlier of July 27, 2017, or the conclusion of the next AGM of the Company. A separate authority allowing Directors to allot Relevant Securities is to be sought in connection with the announced transaction with Baxalta Inc (the "Baxalta Transaction").

#### Resolution 16: Authority to disapply pre-emption rights

Under Article 11 of the Company's Articles of Association, if the Directors wish to allot any unissued shares of the Company wholly for cash (other than in connection with an employee share scheme) they must offer them in the first instance to existing shareholders in proportion to their shareholdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities, such as acquisitions or capital investments, by issuing equity securities for cash without a pre-emptive offer to existing shareholders.

This resolution, which is proposed as a special resolution and is conditional on the passing of Resolution 15, proposes that the Directors be authorized to allot equity securities wholly for cash other than by way of a pro rata issue limited to a maximum aggregate nominal amount of  $\mathfrak{L}3,005,870.30$  (representing 60,117,406 Ordinary Shares), being the equivalent of 10% of the issued Ordinary Share capital of the Company on March 11, 2016; the latest practicable date before publication of this document. This maximum aggregate nominal amount is inclusive of a nominal amount of  $\mathfrak{L}1,502,935.15$  (representing 30,058,703 Ordinary Shares), being the equivalent of 5% of the issued Ordinary Share capital of the Company on March 11, 2016. The Directors confirm their intention to use this 5% only in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. This conditional usage is aligned with the Pre-Emption Group's Statement of Principles, as issued in March, 2015. In addition, the Directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period. These provide that usage in excess of 7.5%, excluding usage pursuant to the 5% referred to above, should not take place without prior consultation with shareholders. While the Directors have no present intention of exercising the authority sought in this resolution, the Board considers that it will benefit the Company and its shareholders generally for the reasons outlined in the paragraph above.

This authority will expire on the earlier of July 27, 2017, or the conclusion of the next AGM of the Company. It should be noted that the Company's Articles of Association empower the Directors to allot equity securities wholly for cash in connection with a Rights Issue (as defined in the Articles of Association).

#### Resolution 17: Authority to purchase own shares

This resolution, which is proposed as a special resolution, renews the authority granted at last year's AGM. This resolution authorizes the Company to purchase up to a maximum of 59,320,261 Ordinary Shares, which represents 10% of the Company's issued Ordinary Share capital (excluding treasury shares) on March 11, 2016, and sets minimum and maximum limits on the price payable. This authority will expire on the earlier of July 27, 2017, or the conclusion of the next AGM.

There are several reasons why the Directors may, in the future, consider a buy-back of shares to be in the best interests of the Company and its shareholders generally. These may include where the Directors (i) expect that such a buy-back would result in an increase in earnings per share, (ii) consider that the Company has excess cash, and/or (iii) determine that it is appropriate to increase the Company's gearing. The Directors therefore consider it prudent for the Company to have the flexibility to effect market purchases of its own Ordinary Shares, despite having no present intention of using the authority sought in this resolution. Moreover, the Directors confirm their intention to exercise this authority only if, having due regard to the interests of long-term shareholders, they consider that to do so would be in the best interests of the Company and its shareholders generally, and expect such purchase to result in an increase in earnings per share. In addition, the Directors confirm that the decision to seek approval for this authority has been taken by the Board of Directors as a whole; a majority of whom are independent Non-Executive Directors.

Any Ordinary Shares purchased by the Company will either be held in treasury or canceled immediately and the number of Ordinary Shares reduced accordingly. Shares held in treasury may be canceled, sold for cash or used for the purposes of employee share plans. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of those shares. Furthermore, no dividend or other distribution of the Company's assets may be made to the Company in respect of the shares held in treasury.

As at March 11, 2016, the latest practicable date prior to the publication of this document, the total number of options (excluding, for the avoidance of doubt, stock appreciation rights) and share awards to subscribe for shares outstanding was in respect of 2,958,531 Ordinary Shares, which represents 0.50% of the Company's issued share capital (excluding treasury shares) as at that date. If the authority to purchase Ordinary Shares in accordance with this resolution and the existing authority to purchase Ordinary Shares taken at last year's AGM is ever used in full, the proportion of issued Ordinary Share capital (excluding treasury shares), based on the share capital as at March 11, 2016, represented by this figure would be 0.62%.

## Resolution 18: Increase to authorized share capital

The existing authorized share capital of the Company is £50,000,002 divided into 1,000,000,000 shares designated as Ordinary Shares with a par value of 5p each and 2 shares designated as Subscriber Ordinary Shares with a par value of £1 each. On the basis that the Baxalta Transaction completes as anticipated, the Company is expected to have in excess of 910,000,000 Ordinary Shares in issue. This would mean that the Company was close to the upper limit of its existing authorized share capital.

In order to retain flexibility and benefit from an ability to allot Relevant Securities following completion of the Baxalta Transaction, this resolution, which is proposed as a special resolution, proposes that the existing share capital of the Company be increased from  $\mathfrak{L}50,000,002$  to  $\mathfrak{L}75,000,002$ , which would be divided into 1,500,000,000 shares designated as Ordinary Shares with a par value of 5p each and 2 shares designated as Subscriber Ordinary Shares with a par value of  $\mathfrak{L}1$  each.

# Resolution 19: Adoption of new Articles of Association

This resolution, which is proposed as a special resolution, proposes that the Company's existing Articles of Association (the "Old Articles") be amended and those articles produced to the meeting and initialed by the Chairman (the "New Articles") be adopted as the Company's Articles of Association, in substitution for, and to the exclusion of, the Old Articles.

The New Articles would, amongst other things, update the Old Articles: (i) to allow the Board greater flexibility in amending and updating the Income Access Arrangements; (ii) to increase the aggregate annual limit on fees paid to Directors; and (iii) to enable the Company to request information from shareholders which the Board considers necessary in order for the Company to comply with existing applicable laws and regulation, and possible future changes thereto. A summary of the principal changes that would be introduced by the New Articles, and their effect, can be found in the Appendix to this document. Other changes which are minor, technical or clarifying in nature, or do not have a material impact, have not been noted.

#### Resolution 20: Notice of general meetings

The Directors wish to retain the flexibility and benefit from the ability to call general meetings on 14 clear days' notice and this resolution, which is proposed as a special resolution, seeks to renew the authority granted by shareholders at last year's AGM.

The Company confirms that it will give as much notice as practicable when calling a general meeting. It is intended that this flexibility will only be used for non-routine business and where merited in the interests of shareholders as a whole. Shareholders should note that if the Company does call a general meeting on less than 21 clear days' notice, the Company undertakes to provide a means for all shareholders to vote electronically for that meeting (such as a facility to appoint a proxy by means of a website). If given, the approval will be effective until the Company's next AGM.

# Announcement of results

Following the Meeting, the results of the voting on all proposed resolutions will be announced on a regulatory information service and will also be available on the Company's website www.shire.com.

## Voting recommendation

The Board and I consider that all the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommend that you vote in favor of them, as the Directors intend to do in respect of their own beneficial holdings.

Yours sincerely,

Susan Kilsby
Chairman

March 29, 2016

Notice is hereby given that the Annual General Meeting of Shire plc (the "Company") will be held at The Merrion Hotel, Upper Merrion Street, Dublin 2, Ireland on April 28, 2016, at 11:30am to consider and, if thought fit, pass Resolutions numbered 1 to 15 (inclusive) as ordinary resolutions and Resolutions numbered 16 to 20 as special resolutions.

#### 1 Annual Report and Accounts

To receive the Company's Annual Report and Accounts for the year ended December 31, 2015.

#### 2 Directors' Remuneration Report

To approve the Directors' Remuneration Report, excluding the Directors' Remuneration Policy, set out on pages 76 to 101 of the Annual Report and Accounts for the year ended December 31, 2015.

#### **Election and re-election of Directors**

- **3** To re-elect Dominic Blakemore as a Director.
- 4 To elect Olivier Bohuon as a Director.
- **5** To re-elect William Burns as a Director.
- 6 To re-elect Dr. Steven Gillis as a Director.
- 7 To re-elect Dr. David Ginsburg as a Director.
- 8 To re-elect Susan Kilsby as a Director.
- 9 To elect Sara Mathew as a Director.
- 10 To re-elect Anne Minto as a Director.
- **11** To re-elect Dr. Flemming Ornskov as a Director.
- **12** To elect Jeffrey Poulton as a Director.

#### Audito

- 13 To re-appoint Deloitte LLP as the Company's Auditor until the conclusion of the next Annual General Meeting of the Company.
- 14 To authorize the Audit, Compliance & Risk Committee to determine the remuneration of the Auditor.

#### 15 Authority to allot shares

That the authority to allot Relevant Securities (as defined in the Company's Articles of Association (the "Articles")) conferred on the Directors by Article 10 paragraph (B) of the Articles be renewed and for this purpose the Authorised Allotment Amount shall be:

- (a) £9,886,710.20 of Relevant Securities; and
- (b) solely in connection with an allotment pursuant to an offer by way of a Rights Issue (as defined in the Articles, but only if and to the extent that such offer is implemented by way of rights), £19,773,420.40 of Relevant Securities (after deducting from such limit any Relevant Securities allotted under paragraph (a) above),

and the Allotment Period (as defined in the Articles) shall be the period commencing on April 28, 2016, and ending on the earlier of July 27, 2017, or the conclusion of the Annual General Meeting of the Company to be held in 2017, save that the Company may before such expiry make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

#### 16 Authority to disapply pre-emption rights

That, subject to the passing of Resolution 15, the authority to allot equity securities (as defined in the Company's Articles of Association (the "Articles")) wholly for cash conferred on the Directors by Article 10 paragraph (D) of the Articles be renewed and for this purpose the Non Pre-emptive Amount (as defined in the Articles) shall be £3,005,870.30 and the Allotment Period shall be the period commencing on April 28, 2016, and ending on the earlier of July 27, 2017, or the conclusion of the Annual General Meeting of the Company to be held in 2017, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

#### 17 Authority to purchase own shares

That the Company be and is hereby generally and unconditionally authorized:

- (a) pursuant to Article 57 of the Companies (Jersey) Law 1991 to make market purchases of Ordinary Shares in the capital of the Company, provided that:
  - (1) the maximum number of Ordinary Shares hereby authorized to be purchased is 59,320,261;
  - (2) the minimum price, exclusive of any expenses, which may be paid for an Ordinary Share is five pence;
  - (3) the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share shall be the higher of:
    - (i) an amount equal to 105% of the average of the middle market quotations for the Company's Ordinary Shares as taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such shares are contracted to be purchased; and
    - the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Daily Official List at the time the purchase is carried out;
  - (4) the authority hereby conferred shall expire on the earlier of July 27, 2017, or the conclusion of the Annual General Meeting of the Company to be held in 2017, save that the Company may make a contract to purchase Ordinary Shares under this authority before the expiry of this authority, which will or may be executed wholly or partly after the expiry of this authority, and may make purchases of Ordinary Shares in pursuance of any such contract as if such authority had not expired; and
- (b) pursuant to Article 58A of the Companies (Jersey) Law 1991, to hold as treasury shares any Ordinary Shares purchased pursuant to the authority conferred by paragraph (a) of this resolution.

## 18 Increase to authorized share capital

That the authorized share capital of the Company be increased from  $\pounds50,000,002$  to  $\pounds75,000,002$ , to be divided into 1,500,000,000 shares designated as Ordinary Shares with a par value of 5p each and 2 shares designated as Subscriber Ordinary Shares with a par value of  $\pounds1$  each, and that the Company's Memorandum of Association be amended accordingly.

## 19 Adoption of new Articles of Association

That, with effect from the conclusion of the Annual General Meeting, the Company's Articles of Association be amended and those articles produced to the meeting and initialed by the Chairman be adopted as the Company's Articles of Association, in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

# 20 Notice of general meetings

WR Marlew

To approve that a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

By order of the Board,

Bill Mordan Company Secretary

Registered office: 22 Grenville Street St Helier Jersey JE4 8PX

March 29, 2016

# **Directors' biographies**

## **Dominic Blakemore (46)**

Non-Executive Director

Appointed: January 1, 2014

Committee Chairmanship: Audit, Compliance & Risk

Committee

### Skills & experience:

Dominic brings to the Board his strategic and financial experience. He holds the position of Group Chief Operating Officer, Europe at Compass Group PLC having previously served as Chief Financial Officer. He has also held the positions of Chief Financial Officer at Iglo Foods Group and European Finance & Strategy Director, Corporate Finance Director, and Group Financial Controller at Cadbury plc. Earlier in his career Dominic worked at PricewaterhouseCoopers where he advised pharmaceutical sector clients.

#### Key appointments:

Compass Group PLC (Group Chief Operating Officer, Europe) Academic Council of University College London (Member)

## Olivier Bohuon (57)

Non-Executive Director

Appointed: July 1, 2015

Committee membership: Science & Technology Committee

## Skills & experience:

Olivier brings to the Board his extensive international business and leadership experience gained through roles held in pharmaceutical and healthcare companies across Europe, the Middle East and the US. He currently holds the position of Chief Executive Officer at Smith & Nephew plc, having previously served as Chief Executive Officer and President of Pierre Fabre Group and as President of Abbott Pharmaceuticals; a division of US-based Abbott Laboratories. Olivier has also held diverse commercial leadership positions at GlaxoSmithKline and its predecessor companies in France. He has an MBA from HEC Paris School of Management and a doctorate in Pharmacy from the University of Paris.

## Key appointments:

Smith & Nephew plc (Chief Executive Officer) Virbac SA (Non-Executive Director)

#### William Burns (68)

Non-Executive Director

Appointed: March 15, 2010

**Committee membership:** Remuneration Committee, Nomination Committee and Science & Technology Committee

### Skills & experience:

William "Bill" brings to the Board extensive international R&D, commercial, business development and operational experience in the pharmaceutical sector. He worked for Roche from 1986 until 2009, most recently holding the position of CEO of their pharmaceuticals division and serving as a member of the Roche Group Corporate Executive Committee. Bill holds a BA (Hons) in Business Economics from the University of Strathclyde.

#### **Key appointments:**

Biotie Therapies Corp. (Chairman)
Mesoblast Limited (Non-Executive Director)
Vestergaard Frandsen (Vice Chairman)
Wellcome Trust (Committee Chairman)
Institute of Cancer Research (Trustee)
University of Cologne/Bonn Center for Integrated Oncology
(Scientific Advisory Board Member)

# Dr. Steven Gillis (62)

Non-Executive Director

Appointed: October 1, 2012

Committee membership: Audit, Compliance & Risk Committee, Remuneration Committee and Science & Technology Committee

## Skills & experience:

Steven brings to the Board his extensive technical and scientific knowledge and commercial experience. He is currently a Managing Director at ARCH Venture Partners, a provider of venture capital for technology firms. Prior to this, Steven was a founder and Director of Corixa Corporation, acquired by GlaxoSmithKline in 2005, and before that a founder and Director of Immunex Corporation. An immunologist by training Steven has authored more than 300 peer-reviewed publications in the areas of molecular and tumor immunology. He is credited as being a pioneer in the field of cytokines and cytokine receptors, directing the development of multiple marketed products including Leukine, (GM-CSF), Prokine (IL-2) and Enbrel (soluble TNF receptor-Fc fusion protein) as well as the regulatory approval of Bexxar (radiolabeled anti-CD20) and the novel vaccine adjuvant, MPL. Steven received his BA from Williams College and his Ph.D. from Dartmouth College.

## **Key appointments:**

ARCH Venture Partners (Managing Director)
Pulmatrix Inc. (Non-Executive Director)
VBI Vaccines Inc. (Chairman and Non-Executive Director)

#### Dr. David Ginsburg (63)

Non-Executive Director

Appointed: June 16, 2010

Committee Chairmanship: Science & Technology Committee

Committee membership: Nomination Committee

#### Skills & experience:

David brings to the Board his clinical medical experience in internal medicine, hematology-oncology and medical genetics, as well as his extensive basic biomedical laboratory research expertise. David obtained his BA at Yale University, MD at Duke University and completed his medical and research training at Harvard Medical School. David is the recipient of numerous honors and awards, including election to membership in the National Academy of Sciences, the Institute of Medicine and the American Academy of Arts and Sciences.

#### Key appointments:

University of Michigan (James V. Neel Distinguished University Professor of Internal Medicine, Human Genetics and Pediatrics) Howard Hughes Medical Institute (Investigator)

# Susan Kilsby (57)

Chairman

Appointed: September 1, 2011

Committee membership: Nomination Committee

Susan served as an independent Non-Executive Director prior to her appointment as Chairman on April 29, 2014.

# Skills & experience:

Susan brings to her role extensive M&A and finance experience having enjoyed a distinguished global career in investment banking. She held senior positions with The First Boston Corporation, Bankers Trust, Barclays de Zoete Wedd and most recently Credit Suisse where she was Chairman of the EMEA Mergers & Acquisitions team until 2009 and a part-time senior advisor until 2014. Susan is also a former Director of L'Occitane International S.A. and Coca-Cola HBC AG. She holds a BA in Economics and an MBA.

### **Key appointments:**

BBA Aviation plc (Non-Executive Director)
Fortune Brands Home & Security, Inc (Non-Executive Director)

#### Sara Mathew (60)

Non-Executive Director

Appointed: September 1, 2015

**Committee membership:** Audit, Compliance & Risk Committee and Remuneration Committee

#### Skills & experience:

Sara brings to the Board her financial, strategic and technological experience having held various corporate leadership roles. Until 2013 Sara served as Chairman, President and Chief Executive Officer of Dun & Bradstreet, Inc. having spent 12 years at the company. Prior to this, Sara worked for 18 years at Procter & Gamble where she held a variety of global finance and management positions including Vice President, Finance, Australia, Asia and India. Sara received her MBA from Xavier University, her Accounting degree from the Institute of Cost & Works Accountants and her Bachelor's degree in Physics, Mathematics and Chemistry from the University of Madras.

#### Key appointments:

Campbell Soup Company (Non-Executive Director)
Freddie Mac (Non-Executive Director)
Zurich Financial Services Group (International Advisory
Council Member)

### Anne Minto OBE (62)

Non-Executive Director

Appointed: June 16, 2010

Committee Chairmanship: Remuneration Committee Committee membership: Nomination Committee

## Skills & experience:

Anne brings to the Board her extensive legal, commercial and remuneration experience. She held the position of Group Director, Human Resources at Centrica plc from 2002 to 2011 and was a member of the Centrica Executive Committee. Her extensive business career includes senior management roles at Shell UK, the position of Deputy Director-General of the Engineering Employers' Federation and the position of Group Director Human Resources at Smiths Group plc. She is also a former Director of Northumbrian Water plc and SITA UK. Anne holds a Law degree, a postgraduate diploma in Human Resources and is a qualified lawyer. She is also a Fellow of the Chartered Institute of Personnel & Development, the Royal Society of Arts and the London City and Guilds and is a member of the Law Society of Scotland.

# **Key appointments:**

Tate & Lyle PLC (Non-Executive Director)
ExlService Holdings, Inc. (Non-Executive Director)
University of Aberdeen Court (Non-Executive Director)
University of Aberdeen Development Trust (Vice Chairman and Trustee)

#### Dr. Flemming Ornskov (58)

Chief Executive Officer

Appointed: January 2, 2013

Committee Chairmanship: Executive Committee

Flemming served as Chief Executive Officer Designate prior to his appointment as Chief Executive Officer on April 30, 2013.

#### Skills & experience:

Flemming brings to his role his operational and medical knowledge and his extensive international, strategic and operational experience in the pharmaceutical sector. He formerly held the position of Non-Executive Chairman of Evotec AG and was Non-Executive Director of PCI Biotech Holding ASA. From 2010 to 2012 he was Chief Marketing Officer and Global Head, Strategic Marketing for General and Specialty Medicine at Bayer. From 2008 to 2010 Flemming served as Global President, Pharmaceuticals and OTC at Bausch & Lomb, Inc. He also served as Chairman, and later as President and Chief Executive Officer, of Life-Cycle Pharma A/S from 2006 to 2008, and as President and Chief Executive Officer of Ikaria, Inc. from 2005 to 2006. Earlier in his pharmaceutical career Flemming held roles of increasing responsibility at Merck & Co., Inc. and Novartis AG, following a distinguished period spent in hospitals and academic medicine. Flemming received his MD from the University of Copenhagen, MBA from INSEAD and Master of Public Health from Harvard University.

# Jeffrey Poulton (48)

Chief Financial Officer

Appointed: April 29, 2015

Committee membership: Executive Committee

#### Skills & experience:

Jeffrey "Jeff" brings to the Board his financial, commercial and strategic acumen. Since joining Shire in 2003 he has held leadership positions in finance supporting the Neuroscience, Gastrointestinal and Rare Diseases business units as well as the positions of Interim Chief Financial Officer and Head of Investor Relations. In addition, Jeff oversaw the operations of the Rare Diseases business unit in North America, Latin America and Asia Pacific, as well as leading the integration of the legacy-Viropharma rare disease products into the Shire portfolio. Prior to joining Shire, Jeff spent time at Cinergy Corp. and PPG Industries in a variety of corporate finance and business development roles, in addition to serving as a commissioned officer in the U.S. Navy. He received a Bachelor of Arts in Economics from Duke University and a Master of Business Administration in Finance from the Kelly School of Business at Indiana University.

# **Notes**

## 1 Poll voting

All resolutions at the AGM will be decided by a poll. The Company believes that this is a more transparent and equitable method of voting as shareholder votes are counted according to the number of shares held, ensuring an exact and definitive result. In accordance with Article 73 of the Company's Articles of Association, the Chairman of the AGM will demand a poll on each of the resolutions at the beginning of the Meeting.

## 2 Record Date for voting

Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, shareholders must be included in the register of members of the Company as at 11:30am on April 26, 2016, or in the event that this AGM is adjourned, in the register of members 48 hours before the time of any adjourned AGM. Shareholders shall be entitled to vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 11:30am on April 26, 2016, or in the event that this AGM is adjourned, in the register of members 48 hours before the time of any adjourned AGM, shall be disregarded in determining the rights of any person to attend or vote at the AGM or the adjourned AGM, as the case may be.

### 3 Return date for proxies

To be effective, the return of a completed postal Form of Proxy (or by electronic means) must be received by the Company's Registrar, Equiniti (Jersey) Limited, c/o Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, no later than 11:30am on April 26, 2016 (or 48 hours preceding the date and time of any adjourned Meeting). The appointment of a proxy (electronically or otherwise) will not prevent a shareholder from attending and voting in person at the AGM.

#### 4 Proxy voting

Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. Proxies may be appointed by any one of the following methods:

#### (a) Ordinary Shares

- (i) Completing and returning the enclosed Form of Proxy;
- (ii) Electronically by logging onto the website of our Registrar www.sharevote.co.uk and following the instructions provided. You will need your Reference Number, Card ID and Account Number, all of which are printed on your Form of Proxy;
- (iii) if you have a shareview portfolio you can appoint your proxy electronically by logging onto your portfolio at www.shareview.co.uk and following the instructions provided; and
- (iv) if you are a member of CREST, by using the CREST electronic appointment service. For further details see note 5.

## (b) American Depositary Shares

If you want the Depositary to vote your American Depositary Shares at the AGM, you may provide your voting instructions to the Depositary via the internet, by telephone or by sending in a completed voting instruction card, as described on such card. In each case, voting instructions must be received by the Depositary by 10:00am New York City time on April 21, 2016. Such holders wishing to attend the AGM should obtain prior authority by being nominated an "Appointed Proxy" by the Depositary, who can be contacted at:

Citibank Shareholder Services P.O. Box 43077 Providence, Rhode Island 02940-3077

Toll free: 1-877-CITI-ADR (1-877- 248-4237)

International: 1-781-575-4555

In the case of a shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer, attorney or other person authorized to sign it.

Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

In the case of joint shareholders, the vote of the first named in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.

When two or more valid but differing proxy appointments are received in respect of the same share for use at the same meeting or poll, the one which is last received (regardless of its date or of the date of its signature) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

# 5 Appointment of proxies through CREST

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 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's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear. com). 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 (CREST ID 7RA01) by 11:30am on April 26, 2016. 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 inquiry to CREST in the manner prescribed by CREST. After this time no message received through the CREST network will be accepted and 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 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 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 system 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 as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

#### 6 Corporate representatives

A shareholder which is a body corporate and which wishes to be represented at the Meeting by a person with authority to speak and vote (a "corporate representative") must appoint such a person by resolution of its directors or other governing body. A corporate representative has the same powers on behalf of the body corporate he/she represents as that body corporate could exercise if it was an individual member of the Company.

# 7 Nominated Persons

Any person to whom this document is sent who is a person nominated in accordance with Article 59 of the Company's Articles of Association to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in note 4 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

## 8 Total voting rights

As at March 11, 2016, (being the latest practicable date before publication of this document) the Company's issued share capital (excluding treasury shares) consisted of 593,202,613 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at March 11, 2016, was 593,202,613.

# 9 Shareholders' power to require website publication of audit concerns

It is possible that, pursuant to requests made by shareholders of the Company under the Company's Articles of Association, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous Meeting of the Company at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with such publication requirements. Where the Company is required to place a statement on a website under the Company's Articles of Association, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required, under the Company's Articles of Association, to publish on a website.

#### 10 Shareholders' right to ask questions

Any shareholder attending the Meeting has the right to ask questions. Please follow instruction from the Chairman during the Meeting. A question may not be responded to if it is not considered to be in the interests of the Company or the good order of the Meeting or it would involve the disclosure of confidential information.

## 11 Information available on website

A copy of this document, and other information required by s311A of the UK Companies Act 2006, can be found on the Company's website www.shire.com.

#### 12 Emails

You may not use any electronic address provided in this document to communicate with the Company for any purposes other than those expressly stated.

## 13 Documents available for inspection

The following documents are available for inspection during normal business hours at 22 Grenville Street, St Helier, Jersey JE4 8PX, from the date of this Notice until the close of the AGM, and at The Merrion Hotel, Upper Merrion Street, Dublin 2, Ireland 15 minutes prior to, and during, the AGM:

- (a) copies of the contracts of service of the Chief Executive Officer and the Chief Financial Officer;
- (b) copies of the letters of appointment of the Non-Executive Directors; and
- (c) copies of the New Articles and the Old Articles.

Copies of the New Articles and the Old Articles will also be available for inspection during normal business hours at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY, from the date of this Notice until the close of the AGM.

# **Shareholder information**

#### **Substantial shareholdings**

As at March 11, 2016, the Company had not been notified of any changes to the substantial shareholdings in the Company since February 23, 2016, being the date of the Directors' Report for the year ended December 31, 2015.

#### Directors' shareholdings and scheme interests

As at March 11, 2016, with the exception of those Directors set out below, there had been no changes to the Directors' interests since February 23, 2016, being the date of the Directors' Remuneration Report for the year ended December 31, 2015.

		Shareholding	Scheme interests				
	Security type <sup>1</sup>		Total deferred bonus awards <sup>2</sup>	Total PSUs/RSUs unvested³	Total SARs unvested <sup>4</sup>	Total SARs vested but unexercised⁵	Total scheme interests
February 23, 2016						·	
Sara Mathew <sup>6</sup>	ADS	76	_	-	-	=	_
Flemming Ornskov	ADS	10,776	5,204	90,452	125,157	_	220,813
	Ordinary Shares	37,500	_	-	-	=	_
Jeffrey Poulton	ADS	2,882	-	9,339	16,189	7,719	33,247
March 11, 2016							
Sara Mathew <sup>6</sup>	ADS	1,076	_	-	_	_	_
Flemming Ornskov	ADS	34,587	9,449	88,748	122,885	45,601	266,683
	Ordinary Shares	37,500	_	-	_	_	_
Jeffrey Poulton	ADS	3,739	560	18,318	23,816	13,773	56,467

One ADS is equal to three Ordinary Shares.

# **Appendix**

# Explanatory notes of principal changes to the Company's Articles of Association

The principal changes between the Company's existing Articles of Association (the "Old Articles") and those proposed to be adopted as the Company's new Articles of Association (the "New Articles") are set out below.

## 1 Removal of references to the Scheme

Some changes were made to the Company's Old Articles to reference events prior to, and following, the coming into effect of a scheme of arrangement implemented between Shire Biopharmaceuticals Holdings (previously known as Shire plc) ("Shire UK") and its ordinary shareholders (as described in a circular sent to shareholders of Shire UK in April 2008) (the "Scheme"). Now that the Scheme has come into effect, these references are no longer required and so they are not included in the New Articles.

## 2 Bonus shares

In line with the requirements placed on UK incorporated companies under the Companies Act 2006, the New Articles except the issue of bonus shares from existing shareholders' right of pre-emption in respect of the allotment of equity securities by the Company.

#### 3 Commission and brokerage fees

The New Articles reflect a change under Jersey law which means that there is no longer a statutory limit on commission and brokerage fees paid by the Company.

#### 4 Information requested from shareholders by the Company

The Old Articles allow the Company to require any person whom the Company knows or believes is interested in the Company's shares to confirm that fact, to give particulars of their present or past interest in the Company's shares and to give particulars of any other interests in those shares. The New Articles extend this authority such that, in addition to the information requirements outlined above, the Company may require the provision of such information as the Board may determine is necessary in order for the Company and its agents to be able to comply with their respective legal and regulatory obligations.

The New Articles do not change the provisions of the Old Articles relating to the failure to comply with the information requests set out above. These state that, where any person whom the Company knows or believes is interested in the Company's shares fails to comply with such a request from the Company within 14 days of being notified, the relevant shares may no longer confer a right to attend or vote at general meetings and, depending on the size of the person's holding, the Board may withhold payment of any dividends or other moneys payable in respect of the shares and/or decline to register a transfer of the relevant shares (if they are certificated) unless such a transfer is pursuant to an arm's length sale. Where the information relating to such a request is subsequently supplied to the Company, any withheld moneys relating to the relevant shares shall be paid to the person so entitled.

<sup>&</sup>lt;sup>2</sup> This represents deferred shares, Restricted Stock and Restricted Stock Units awarded under the Shire Deferred Bonus Plan 2015 (a sub-plan of the Shire Long Term Incentive Plan 2015) and the legacy Shire Executive Annual Incentive Plan, which are forfeited in the case of termination for cause.

<sup>&</sup>lt;sup>3</sup> This represents unvested Performance Share Units which are subject to the achievement of performance conditions and unvested Restricted Stock Units which are subject only to service conditions. The latter were awarded to Mr. Poulton while he served the Company otherwise than as Chief Financial Officer.

<sup>&</sup>lt;sup>4</sup> This represents unvested Stock Appreciation Rights which are subject to the achievement of performance conditions and certain Stock Appreciation Rights which are subject only to service conditions. The latter were awarded to Mr. Poulton while he served the Company otherwise than as Chief Financial Officer.

<sup>&</sup>lt;sup>5</sup> This represents vested but unexercised Stock Appreciation Rights which are no longer subject to the achievement of performance/service conditions.

<sup>&</sup>lt;sup>6</sup> As a Non-Executive Director, Sara Mathew is not eligible to participate in the Company's share plans or bonus arrangements. For further details on these plans and arrangements, please refer to the Directors' Remuneration Report for the year ended December 31, 2015.

#### 5 Errors in voting

In accordance with usual market practice, the New Articles reflect that the Company is not obliged to check whether a proxy or corporate representative has voted in accordance with a shareholder's instructions and, if a proxy or corporate representative fails to vote in accordance with a shareholder's instructions, this will not affect the decision of the meeting or adjourned meeting or poll.

### 6 Receipt of proxies

In line with a recent change under Jersey law, the New Articles reflect that the earliest deadline which can be specified by the Board for the delivery of proxies for a general meeting is 48 hours before the time of the meeting (including or excluding non-working days at the Board's discretion).

## 7 Corporate representatives

In order to reflect the position applicable to UK incorporated companies under the Companies Act 2006, the New Articles state that a body corporate can appoint more than one corporate representative in respect of a shareholding provided that each such corporate representative is appointed to exercise the powers attached to different shares.

#### 8 Directors' fees

In order to accommodate the appointment of new Non-Executive Directors following the anticipated completion of the announced transaction with Baxalta Inc, the New Articles increase the limit on the aggregate fees payable to Directors from £2,000,000 to £3,000,000 per annum.

#### 9 Borrowing limit

On April  $2\overline{9}$ , 2014, the limit on the aggregate principal amount outstanding in respect of monies borrowed by the Group was increased by ordinary resolution from \$4,000,000,000 to \$12,000,000,000. The New Articles reflect this historical amendment.

# 10 Overseas branch registers

In line with a change under Jersey law, the New Articles reflect that the Company is no longer restricted in respect of which members can be entered on an overseas branch register.

# 11 Income Access Arrangements

The New Articles make changes to the Company's income access arrangements (the "IAS Arrangements") in order to facilitate certain reporting obligations which have arisen as a result of recent developments in global tax law (namely, the introduction of the Foreign Account Tax Compliance Act and the Common Reporting Standard). The provisions of the New Articles are intended to facilitate the new reporting requirements and safeguard the Company, its subsidiaries and/or the income access trustee (the "IAS Trustee"), and each of their respective agents, in the event of any future changes to legal and/or regulatory requirements applicable to the IAS Arrangements, and therefore to support their ongoing operation.

In particular, the New Articles state that any election made by a shareholder to be paid dividends by a subsidiary of the Company resident for tax purposes in the United Kingdom (an "IAS Election") shall only be deemed to have been made in relation to any dividend if the relevant shareholder: (i) provides the Company with such information as the Board may determine is necessary in order for the Company, any of its subsidiaries and/or the IAS Trustee, and each of their respective agents, to comply with any applicable legal and/or regulatory requirements relating to the payment of any amounts under the IAS Arrangements; and (ii) complies with such other terms as the Board may determine by way of written notice to the relevant shareholder or by way of publishing a written notice on a website from time to time. Furthermore, failure by a shareholder that made an IAS Election (or was deemed to have made an IAS Election) under the Old Articles to comply with (i) and (ii) above in relation to any dividend shall result in their election being deemed not to have been made in respect of that dividend (unless the Board, at its discretion, determines otherwise).

Given the above (in particular, the requirement for a shareholder, when making an IAS Election, to provide the Company with information and to comply with terms pursuant to (i) and (ii) respectively), with effect from the adoption of the New Articles, the default arrangement under the Old Articles whereby an IAS Election is deemed to have been made by a shareholder that holds 25,000, or fewer, Ordinary Shares will cease to take effect. However, the New Articles allow the Board the discretion to re-instate this arrangement, or to implement a similar arrangement (on such terms as the Board considers appropriate), in the future should the Board consider, amongst other things, it to be administratively feasible and in the best interests of shareholders generally.

The opportunity has also been taken to allow the Board a wider discretion to amend and update the terms of the IAS Arrangements in the future should the Board determine that it is necessary to do so.

# 12 Payment procedure

The New Articles allow the Company to make a variety of payment methods available in respect of any dividend or other money payable in cash relating to a share. The New Articles clarify that shareholders are required to provide such information to the Company as is necessary in order for it to pay dividends or other money payable in cash (and failure by the shareholder to provide such information may result in the dividend or other money payable being treated as unclaimed).

# 13 Scrip dividend period

In line with guidance issued by the Investment Association, the New Articles reduce, from five to three years, the maximum period for which the Company is permitted, under any single authority, to offer shareholders the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole (or some part) of any dividend.

# 14 General

As it is proposed to adopt the New Articles in order to effect the changes described above, the opportunity has been taken generally to include some clarificatory amendments in certain other parts of the New Articles.