

# NOTICE OF ANNUAL GENERAL MEETING

## IMPORTANT NOTE

### **THIS NOTICE AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if you are resident outside the United Kingdom, from another appropriately qualified financial adviser.

If you have recently sold or transferred all of your shares in the Company, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

### **STM GROUP PLC (the 'Company')**

### **NOTICE OF ANNUAL GENERAL MEETING**

In light of the UK Government's guidance in force at the time of preparing this Notice in relation to gatherings and social distancing practice in response to COVID-19, **the Board requests that shareholders do not attend the Annual General Meeting ('AGM') in person.** Instead, voting will be carried out by proxy (a Form of Proxy is enclosed). Questions for the meeting may be submitted by email to [cosec@stmgroupplc.com](mailto:cosec@stmgroupplc.com), to be received by 4pm on Wednesday, 23 June 2021. Questions and answers will be posted on the Company's website as soon as practicable following the conclusion of the meeting.

The Board considers that all of the resolutions set out in the notice of AGM are likely to promote the success of the Company and are in the best interests of both the Company and its shareholders as a whole. The Board recommends that shareholders vote in favour of all resolutions.

**Notice is hereby given that the AGM of the Company will be held on 24 June 2021 at 10.00am at Rockwood House, 9-17 Perrymount Road, Hayward's Heath, West Sussex, for the purpose of considering and, if thought fit, passing the following resolutions:**

### ORDINARY RESOLUTIONS

1. To receive the Company's annual accounts for the financial year ended 31 December 2020, together with the Directors' Report and Auditors' Report.
2. To declare a final dividend of 0.85p per ordinary share.
3. To re-elect Duncan Crocker as a Director.
4. To re-elect Alan Kentish as a Director.
5. To re-elect Therese Neish as a Director.
6. To re-elect Pete Marr as a Director.
7. To re-elect Malcolm Berryman as a Director.
8. To re-elect Robin Ellison as a Director.
9. To re-elect Graham Kettleborough as a Director.
10. To reappoint Deloitte LLP as auditors.
11. To authorise the Directors to determine the auditors' remuneration.
12. THAT the Directors be generally and unconditionally authorised pursuant to and for the purposes of Article 5 of the Company's articles (the "Articles") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Relevant Securities"):
  - (a) up to a nominal amount of £19,802; and
  - (b) comprising equity securities (as defined by the Articles) up to a nominal amount of £38,604 in connection with an offer by way of a rights issue to:
    - i. ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - ii. holders of other equity securities as required by the rights of those securities or, subject to such rights as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

The authorities conferred on the Directors under paragraphs (a) and (b) to allot Relevant Securities shall expire at 6pm on 30 June 2022, or, if earlier, the conclusion of the next AGM of the Company to be held in 2022 unless previously revoked, varied or renewed by the Company in a general meeting.

The Company shall be entitled to make, prior to the expiry of such authorities, any offer or agreement which would or might require Relevant Securities to be allotted after the expiry of these authorities and the Directors may allot Relevant Securities pursuant to such offer or agreement as if these authorities had not expired.

All prior authorities to allot Relevant Securities shall be revoked but without prejudice to any allotment of Relevant Securities already made thereunder.

# NOTICE OF ANNUAL GENERAL MEETING

---

## SPECIAL RESOLUTIONS

13. THAT, subject to the passing of resolution 12 in the notice of this meeting, the Directors are empowered to allot equity securities (as defined by the Articles) for cash, pursuant to the authority conferred on them by resolution 12 in the notice of this meeting or by way of sale of treasury shares, provided that this power is limited to:
- (a) the allotment of equity securities in connection with any rights issue or open offer or any other pre-emptive offer that is open for acceptance for a period determined by the Directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange; and
  - (b) the allotment of equity securities or sale of treasury shares (other than pursuant to sub-paragraph (a) above) to any person with an aggregate nominal value of £2,970.40, and shall expire when the authority conferred on the Directors by resolution 13 in the notice of this meeting expires or is revoked, save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry.
14. THAT, subject to the passing of resolution 12 in the notice of this meeting and in addition to the power contained in resolution 13 set out in the notice of this meeting, the Directors are empowered to allot equity securities (as defined by the Articles) to any person for cash, pursuant to the authority conferred on them by resolution 12 in the notice of this meeting or by way of sale of treasury shares, provided that this power is:
- (a) limited to the allotment of equity securities up to an aggregate nominal value of £2,970.40; and
  - (b) used only for the purposes of financing (or refinancing, if the power is to be exercised within six months after the date of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice of this meeting;
- and shall expire when the authority conferred on the Directors by resolution 12 in the notice of this meeting expires or is revoked, save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry.
15. THAT the Company be generally authorised pursuant to Article 5 to make market purchases (within the meaning of section 693(4) of the UK Companies Act 2006) of ordinary shares of £0.001 each in the capital of the Company on such terms and in such manner as the Directors shall determine, provided that:
- (a) the maximum number of ordinary shares hereby authorised to be purchased is limited to an aggregate of 5,940,808 ordinary shares;
  - (b) the minimum price, exclusive of any expenses, which may be paid for each ordinary share is its nominal value;
  - (c) the maximum price, exclusive of any expenses, which may be paid for each ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share of the Company as derived from the AIM Appendix to the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased;
  - (d) this authority shall expire on 30 June 2022, or, if earlier, at the conclusion of the next AGM of the Company to be held in 2022 unless previously revoked, varied or renewed; and
  - (e) the Company may make a contract to purchase ordinary shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares pursuant to any such contract as if such authority had not expired.
16. THAT a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

**Further information on resolutions 12 to 15 can be found in the Explanatory Notes on the next page.**

By order of the Board



**Alex Small LL.M ACG**

Company Secretary  
18 Athol Street, Douglas  
Isle of Man, IM1 1JA

Company number: 005398V

10 May 2021

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

- Resolutions 1 to 12 are to be proposed as Ordinary Resolutions. Resolutions 13 to 16 are to be proposed as Special Resolutions requiring the approval of (i) on a show of hands a majority of not less than 75 per cent of such members as are present and voting at the relevant meeting and are entitled under the Articles to vote on a show of hands; or (ii) on a poll members of the Company holding not less than 75 per cent of the voting rights attributable to the shares held by the members present and voting at the relevant meeting and entitled under these Articles to vote on a poll.
- A member who is entitled to attend and vote at the AGM is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and to vote at the AGM. A proxy need not also be a member.
- A member must be registered as the holder of ordinary shares by 11am on 22 June 2021 in order to be entitled to vote at the AGM as a member in respect of those shares.
- A Form of Proxy is enclosed. Proxy forms must be returned by post or by hand to the office of the agent of the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Rd, Bristol BS99 6ZY not less than 48 hours before the time of holding of the meeting. Members who hold their shares in uncertificated form may also use the CREST voting service to appoint a proxy electronically.
- CREST members can also appoint proxies by using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual.

## Explanatory Notes: Resolutions 12, 13, 14 & 15

### Resolution 12 – Authority to allot relevant securities

Resolution 12 is proposed to renew the Directors' powers to allot shares. The Directors' existing authority, which was granted (pursuant to Article 3) at the AGM held on 17 June 2020 and will expire at the end of this year's AGM. Accordingly, paragraph (a) of resolution 12 would renew this authority by authorising the Directors to allot relevant securities up to an aggregate nominal amount equal to approximately one third of the current issued share capital of the Company.

In accordance with the Investment Association Share Capital Management Guidelines issued in July 2016, resolution 12(b) seeks to grant the Directors authority to allot ordinary shares equal to a further one third of the Company's issued share capital in connection with a rights issue in favour of ordinary shareholders.

The Directors have no present intention to exercise the authority sought under this resolution. In the event of any exercise of the authority, the Directors intend to follow the Guidelines concerning its use including as regards the Directors standing for re-election.

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the conclusion of the AGM of the Company to be held in 2022, or at 6pm on 30 June 2022, whichever is sooner, unless renewed or revoked prior to such time.

### Resolutions 13 and 14 – Disapplication of statutory pre-emption rights

Resolutions 13 and 14 are to approve the disapplication of pre-emption rights. The passing of these resolutions would allow the Directors to allot shares for cash and/or sell treasury shares without first having to offer such shares to existing shareholders in proportion to their existing holdings.

The authority under resolution 13 would be limited to:

- allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board considers necessary; and
- allotments or sales (otherwise than pursuant to (a) above) up to an aggregate nominal amount of £2,970.40, being an amount equal to approximately 5% of the current issued share capital of the Company as at 7 May 2021 (being the latest practicable date prior to the publication of this Notice).

Resolution 14 would give the Directors authority to allot a further 5% of the issued ordinary share capital of the Company as at 7 May 2021 (being the latest practicable date prior to the publication of this Notice) for the purposes of financing a transaction which the Directors determine to be an acquisition or other capital investment contemplated by the Pre-Emption Group's Statement of Principles most recently published by the Pre-Emption Group prior to the date of this Notice.

The disapplication authorities under resolutions 13 and 14 are in line with guidance set out in the Pre-Emption Group's Statement of Principles. The Pre-Emption Group's Statement of Principles allow a board to allot shares for cash otherwise than in connection with a pre-emptive offer (i) up to 5% of a company's issued share capital for use on an unrestricted basis and (ii) up to a further 5% of a company's issued share capital for use in connection with an acquisition or specified capital investment announced either contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

The authorities contained in resolutions 13 and 14 will expire at the conclusion of the AGM of the Company to be held in 2022 or at 6pm on 30 June 2022, whichever is sooner.

### Resolution 15 – Authority to purchase Company's own shares

Resolution 15 seeks to grant the Directors authority (until 30 June 2022 or, if earlier, the next AGM to be held in 2022, unless such authority is revoked or renewed prior to such time) to make market purchases of the Company's own ordinary shares, up to a maximum of 5,940,808 ordinary shares, being an amount equal to approximately 10% of the current issued share capital of the Company. The maximum price payable would be an amount equal to 105% of the average of the middle market quotations for an ordinary share of the Company for the five business days immediately preceding the date of purchase and the minimum price would be the nominal value of the shares.

The Directors have no present intention of exercising the authority to make market purchases, however the authority provides the flexibility to allow them to do so in the future. The authority will only be exercised in circumstances where the Directors expect that such purchases will result in an improvement in earnings per share and will be in the best interests of shareholders generally.

## Board Recommendation

The Directors believe that the resolutions being proposed and described above are in the best interests of the Company and its shareholders as a whole and recommend you give them your support by voting in favour of all resolutions, as they intend to in respect of their own beneficial shareholdings.