

# Notice of Annual General Meeting

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## 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**

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 22 August 2023 at 10.00am at 1st floor, 21 Perrymount Road, Haywards Heath, West Sussex, RH16 3TP, for the purpose of considering and, if thought fit, passing the following resolutions:**

## Resolutions

1. To receive the Company's annual accounts for the financial year ended 31 December 2022, together with the Directors' Report and Auditor's Report.
2. To declare a final dividend of 0.6p per ordinary share.
3. To elect Nigel Birrell as a Director.
4. To re-elect Alan Kentish as a Director.
5. To elect Peter Smith as a Director.
6. To appoint Grant Thornton Ireland as auditor.
7. To authorise the Directors to determine the auditor's remuneration.
8. THAT the Directors be generally and unconditionally authorised pursuant to and for the purposes of Article 6 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 section 560 of the UK Companies Act 2006) ('equity securities') 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 31 October 2024, or, if earlier, the conclusion of the next AGM of the Company to be held in 2024 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.

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## Special Resolutions

9. That, if resolution 8 is passed, the Board be authorised to allot equity securities for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section Article 7 of the Articles did not apply to any such allotment or sale, such authority to be limited:

- (a) allotments for rights issues and other pre-emptive issues; and
- (b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £5940.80; and
- (c) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) or paragraph (b) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (b) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Pre-Emption Group's Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice;

such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 31 October 2024) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

10. That if resolution 8 is passed, the Board be authorised in addition to any authority granted under resolution 9 to allot equity securities for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Article 7 of the Articles did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £5940.80 such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Board of the Company determines to be either an acquisition or a specified 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 this notice; and
- (b) limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (a) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be

of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice, such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 31 October 2024) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

11. THAT the Company be generally authorised pursuant to Article 15 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 31 October 2024, or, if earlier, at the conclusion of the next AGM of the Company to be held in 2024 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.

12. THAT a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

By order of the Board



Alex Small LL.M ACG  
Company Secretary  
Viking House, St Paul's Square,  
Ramsey, Isle of Man, IM8 1GB  
Company number: 005398V

26 June 2023

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## Notes:

1. Resolutions 1 to 8 are to be proposed as ordinary Resolutions. Resolutions 9 to 12 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.
2. 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.
3. A member must be registered as the holder of ordinary shares by 11am on 18 August 2023 in order to be entitled to vote at the AGM as a member in respect of those shares.
4. 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 by 11am on 18 August 2023. Members who hold their shares in uncertificated form may also use the CREST voting service to appoint a proxy electronically.
5. 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 8, 9, 10 & 11

### Resolution 8 – Authority to allot relevant equity securities

Resolution 8 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 4 August 2022 and will expire at the end of this year's AGM. Accordingly, paragraph (a) of resolution 8 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 February 2023, resolution 8 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 this resolution will expire at the conclusion of the AGM of the Company to be held in 2024, or at 6pm on 31 October 2024, whichever is sooner, unless renewed or revoked prior to such time.

### Resolutions 9 and 10 – Disapplication of statutory pre-emption rights

In November 2022, the Pre-Emption Group updated their Statement of Principles (the "Pre-Emption Group Principles") to, amongst other things, support companies seeking authority to issue non-pre-emptively for cash equity securities.

Resolutions 9 and 10 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 authorities contained in resolutions 9 and 10 will expire at the conclusion of the AGM of the Company to be held in 2024 or at 6pm on 31 October 2024, whichever is sooner.

### Resolution 11 – Authority to purchase Company's own shares

Resolution 11 seeks to grant the Directors authority (until 31 October 2024 or, if earlier, the next AGM to be held in 2024, 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.