

INSTEM PLC (the “Company”)

Registered in England and Wales with the number 7148099

Registered office: Diamond Way, Stone Business Park, Stone, Staffordshire, ST15 0SD

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about the action that you should take, you are recommended to seek advice from your stockbroker, bank manager, solicitor, accountant or other independent financial advisor duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the Company, please forward this document and the enclosed proxy form to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

16 May 2022

Dear Shareholder,

ANNUAL GENERAL MEETING FOR 2022

This circular contains the formal notice of the Company’s annual general meeting for 2022 (the “**Meeting**”), which will be held at the offices of the Company at 2 Diamond Way, Stone Business Park, Stone, Staffordshire, ST15 0SD on Thursday 9 June 2022 at 2.00 p.m. The formal notice of Meeting, together with notes to the notice of Meeting and explanatory notes to certain of the resolutions proposed, can be found on pages 3 to 6 of this circular.

The Meeting has been arranged on the basis that the Company will hold a physical meeting that shareholders will be able to attend in person, as the Company’s annual general meeting plays an important role in providing an opportunity for the Company’s directors to engage with shareholders. However, the health and safety of all participants remains paramount and, as the Covid-19 pandemic continues, the board of directors of the Company is of the view that attendance at the Meeting by shareholders should be minimised. **Therefore, whilst shareholders are legally entitled to physically attend the Meeting in person, shareholders are strongly encouraged to avoid doing so.**

The board of directors of the Company will also continue to monitor public health guidance issued by the UK Government and any restrictions placed on public gatherings in response to the Covid-19 pandemic. If there should be any changes to such guidance or restrictions, the board of directors of the Company will consider whether any corresponding alterations are required to be made to the proposed arrangements for the Meeting (such as a decision that shareholders will be unable to attend in person). If it is concluded that the arrangements for the Meeting need to be altered, shareholders will be notified promptly via an RNS announcement and the Company’s website (<https://investors.instem.com>).

It remains important to the board of directors of the Company that your votes are counted at the Meeting. To ensure that this remains the case in a situation in which a shareholder is ultimately unable to attend the Meeting in person given the uncertainty caused by the Covid-19 pandemic, **shareholders are strongly encouraged to submit their votes on the formal business to be transacted using the proxy form enclosed with this circular and to appoint the chairman of the Meeting as their proxy.** The Company will ensure that the Meeting is convened with the minimum necessary quorum (which will be fulfilled by the attendance in person by directors of the Company).

Instructions for completion and return of the proxy form, together with instructions for shareholders that wish to utilise the CREST electronic proxy appointment service, are included in the notes to the notice of Meeting on page 5 of this circular. The appointment of a proxy does not preclude a shareholder from

attending and voting in person at the Meeting (provided that this is permitted under the UK Government's public health guidance in force as at the date of the Meeting), but, as noted above, the board of directors of the Company recommends that shareholders should avoid attending the Meeting in person.

The board of directors of the Company considers that all of the resolutions, as set out in the notice of Meeting, are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The directors intend to vote their shareholdings in favour of the resolutions and unanimously recommend that all shareholders do so as well.

Yours faithfully,

David Gare

Non-executive Chairman

Company Number: 7148099

INSTEM PLC

(the “Company”)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at the offices of the Company at 2 Diamond Way, Stone Business Park, Stone, Staffordshire, ST15 0SD on Thursday 9 June 2022 at 2.00 p.m. for the following purposes:

To consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 7 will be proposed as ordinary resolutions and resolutions 8 and 9 will be proposed as special resolutions:

ORDINARY RESOLUTIONS

1. **THAT**, the Company’s annual accounts, strategic report, directors’ remuneration report, and the directors’ and auditor’s reports for the financial year ended 31 December 2021 be received.
2. **THAT**, Riaz Amirali Bandali, who is retiring by rotation in accordance with the articles of association of the Company and who, being eligible, offers himself for re-appointment as a director, be re-appointed as a director of the Company.
3. **THAT**, David Michael Sherwin, who is retiring by rotation in accordance with the articles of association of the Company and who, being eligible, offers himself for re-appointment as a director, be re-appointed as a director of the Company.
4. **THAT**, Michael Frederick McGoun, who is retiring as a director of the Company and who, being eligible, offers himself for re-appointment as a director, be re-appointed as a director of the Company.
5. **THAT**, Grant Thornton UK LLP be re-appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the shareholders.
6. **THAT**, the board of directors of the Company be authorised to determine the remuneration of the Company’s auditors.
7. **THAT**, in substitution for all existing and unexercised authorities and powers, the directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 (the “Act”) to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as “Relevant Securities”) up to an aggregate nominal value of £755,894 to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company) **PROVIDED THAT** this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities or equity securities (as the case may be) to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities or equity securities (as the case may be) in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

8. **THAT**, subject to and conditional upon the passing of the resolution numbered 7 in the notice convening the meeting at which this resolution is proposed and in substitution for all existing and unexercised authorities and powers, the directors of the Company be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by resolution 7 as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to:
- (a) the allotment of equity securities in connection with a rights issue or similar offer in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory; and
 - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £226,768, representing approximately 10 per cent. of the current share capital of the Company,

and shall expire at the conclusion of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier) 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 in pursuance of such offer or agreement as if the power conferred hereby had not expired.

9. **THAT**, for the purposes of section 701 of the Act, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10p each in the capital of the Company ("**Ordinary Shares**") provided that:
- (a) the maximum number of Ordinary Shares which may be purchased is 2,267,681 (representing approximately 10 per cent. of the Company's share capital);
 - (b) the minimum price which may be paid for each Ordinary Share is 10p;
 - (c) the maximum price which may be paid for each Ordinary Share is an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of London Stock Exchange plc for the five business days immediately preceding the day on which the Ordinary Share in question is purchased;
 - (d) unless previously revoked or varied, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 2023 or, if earlier, on the date which is 12 months after the date of the passing of this resolution; and
 - (e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which contract or contracts will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

BY ORDER OF THE BOARD

Nigel Goldsmith
Secretary

Date: 16 May 2022

Registered office: Diamond Way, Stone Business Park, Stone, Staffordshire, ST15 0SD

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING:

1. A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his/her rights to attend, speak and vote at that meeting on his/her behalf. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company.

HOWEVER, as noted above in the circular containing this notice, members are strongly encouraged to appoint the chairman of the meeting as proxy to exercise all or part of their rights to attend, speak and vote on their behalf.

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 a resolution. If no voting indication is given, a member's proxy will vote or abstain from voting at his or her discretion.

2. A proxy may only be appointed using the procedures set out in these notes and the notes to the proxy form. To appoint a proxy, a member must complete, sign and date the enclosed proxy form and deposit it at the office of the Company's Registrars, Computershare Investor Services plc, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, by 2.00 p.m. on Tuesday 7 June 2022. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be enclosed with the proxy form.
3. In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his/her intention to revoke his/her proxy appointment and deposit it at the office of the Company's Registrars, Computershare Investor Services plc, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY prior to commencement of the meeting.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**EUI**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent, Computershare Investor Services plc (CREST ID 3RA50) by 2.00 p.m. on Tuesday 7 June 2022, or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

5. 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.
6. Any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation, provided that no more than one corporate representative exercises powers over the same share. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's Registrars, Computershare Investor Services plc, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY prior to the commencement of the meeting.

HOWEVER, any corporation which is a member of the Company is requested to refer to note 1, above, and is strongly encouraged to appoint the chairman of the meeting as proxy to exercise all or part of its rights to attend, speak and vote at the meeting on its behalf.

7. The right to vote at the meeting shall be determined by reference to the register of members of the Company. Only those persons whose names are entered on the register of members of the Company at 2.00 p.m. on Tuesday 7 June 2022 shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.

EXPLANATORY NOTES TO THE RESOLUTIONS

Resolutions 2 to 4 – Re-appointment of directors

Resolutions 2 to 4 concern the proposed re-appointment of directors of the Company. Under the Company's articles of association, at every annual general meeting of the Company, a director must retire from office, and may offer himself or herself for re-appointment by the shareholders, if such director: (i) has been appointed by the Company's directors since the last annual general meeting; or (ii) was not appointed or re-appointed at one of the preceding two annual general meetings.

Riaz Amirali Bandali was appointed as a director by the Company's directors since the last annual general meeting, so he is required to retire at the Company's annual general meeting for 2022 (the "**Meeting**") and will offer himself for re-appointment (to be approved by the passing of resolution 2). David Michael Sherwin has not been appointed or re-appointed as a director at one of the preceding two annual general meetings of the Company, so he too is required to retire at the Meeting and will offer himself for re-appointment (to be approved by the passing of resolution 3).

Michael Frederick McGoun is not required by the Company's articles of association to retire at the Meeting. However, given the tenure of Michael's role as a non-executive director of the Company, Michael will retire at the Meeting and will offer himself for re-appointment (to be approved by the passing of resolution 4).

Resolution 7 – Directors' power to allot Relevant Securities

Under section 551 of the Act, Relevant Securities may only be issued with the consent of the shareholders, unless the shareholders pass a resolution generally authorising the directors to issue shares without further reference to the shareholders. This resolution authorises the general issue of shares up to an aggregate nominal value of £755,894, which is equal to approximately one third of the nominal value of the current ordinary share capital of the Company. Such authority will expire at the conclusion of the next annual general meeting of the Company or the date which is six months after the next accounting reference date of the Company (whichever is the earlier).

Resolution 8 – Disapplication of pre-emption rights on equity issues for cash

Section 561 of the Act requires that a company issuing shares for cash must first offer them to existing shareholders following a statutory procedure which, in the case of a rights issue, may prove to be both costly and cumbersome. This resolution excludes that statutory procedure as far as rights issues are concerned. It also enables the directors to allot shares, without first offering them to existing shareholders, up to an aggregate nominal value of £226,768, which is equal to approximately 10 per cent. of the nominal value of the current ordinary share capital of the Company, subject to resolution 7 being passed. The directors believe that the limited powers provided by this resolution will maintain a desirable degree of flexibility. Unless previously revoked or varied, the disapplication will expire on the conclusion of the next annual general meeting of the Company or on the date which is six months after the next accounting reference date of the Company (whichever is the earlier).

Resolution 9 – Authority for the market purchase by the Company of its own shares

Section 701 of the Act requires the Company to obtain shareholders' consent prior to making any market purchase of the Company's own shares. Resolution 9 sets out the conditions of the authority as required by section 701 of the Act.

