

MEREO BIOPHARMA GROUP PLC

(the "Company")

(Registered and incorporated in England and Wales with company number 09481161)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting (the "AGM") of Mereo BioPharma Group plc (the "Company") will be held at the offices of Latham and Watkins (London) LLP at 99 Bishopsgate, London EC2M 3XF, on 21 June 2018 at 11.30 a.m. (London time) for the following purposes:

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. That the annual report and accounts for the financial year ended 31 December 2017, together with the directors' report and independent auditor's report thereon, be received and adopted.
2. That Ernst & Young LLP be reappointed as auditor to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting at which the Company's annual report and accounts are presented.
3. That the directors be authorised to determine Ernst & Young LLP's remuneration.
4. That Peter Fellner be re-elected as a Director of the Company.
5. That Denise Scots-Knight be re-elected as a Director of the Company.
6. That Peter Bains be re-elected as a Director of the Company.
7. That Paul Blackburn be re-elected as a Director of the Company.
8. That Kunal Kashyap be re-elected as a Director of the Company.
9. That Frank Armstrong be re-elected as a Director of the Company.
10. That Anders Ekblom be re-elected as a Director of the Company.

Explanatory notes to the business of the AGM are given on page 5 of this document.

Action to be taken

You will find a form of proxy enclosed with this document for use in connection with the AGM. Whether or not you intend to be present at the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed forms of proxy must be received by the Company's registrar, Link Asset Services, at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, United Kingdom, not later than 11.30 a.m. (London time) on 19 June 2018, being 48 hours before the time appointed for holding the AGM. Completion of the form of proxy will not preclude you from attending the AGM and voting in person if you so wish.

Recommendation

The directors of the Company consider that the proposed resolutions to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company. The directors unanimously recommend that you vote in favour of the proposed resolutions as they intend to do in respect of their own beneficial holdings, which amount to approximately 4% of the voting rights of the current issued share capital of the Company.

BY ORDER OF THE BOARD



Charles Sermon
Company Secretary
22 May 2018

REGISTERED OFFICE
4th Floor
One Cavendish Place
London
W1G 0QF

Notes:

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered on the Company's register of members at:
 - a. close of business on 19 June 2018; or
 - b. if the AGM is adjourned, close of business on the day that is two days prior to the adjourned meeting,
 shall be entitled to attend and vote at the AGM or adjourned meeting (as applicable) in respect of the number of ordinary shares registered in their name at the time.
- Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the AGM.

Website giving information regarding the AGM

2. Information regarding the AGM can be found at www.merebiopharma.com/news-and-media.

Appointment of proxies

3. If you are a shareholder of the Company at the time set out in Note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a form of proxy with this notice of AGM. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
4. A proxy does not need to be a shareholder of the Company but must attend the AGM to represent you. Details of how to appoint the Chairman of the AGM or another person as your proxy using the form of proxy are set out in the notes to the form of proxy. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. If you are appointing more than one proxy you must indicate the number of ordinary shares in respect of which you are making this appointment. You should include the number in the box provided for your first named proxy and either obtain (an) additional form(s) of proxy from the registrar of the Company at Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, United Kingdom, or you may photocopy the form of proxy. Please return all the forms together and tick the box to indicate each form is one of multiple instructions being given. Please take care when completing the number of shares; if the total number of shares exceeds the total number held by the shareholder, all appointments may be invalid. All forms of proxy must be signed and should be returned together in the same envelope.
6. Appointment of a proxy does not preclude a shareholder from attending the AGM and voting in person. If you wish to attend the AGM in person, please bring with you the attendance card accompanying this notice of AGM. This will authenticate your right to attend, speak and vote at the AGM and assist us in registering your attendance without delay.
7. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

Appointment of proxy using hard copy form of proxy

8. The notes to the form of proxy explain how to direct your proxy to vote on the resolution or withhold their vote. To validly appoint a proxy using the form of proxy, the form must be:
 - a. completed and signed; and
 - b. sent or delivered to the Company's registrar's address at Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, United Kingdom, not less than 48 hours before the time appointed for holding the AGM or adjourned meeting to which it relates.

9. In the case of a poll taken more than 48 hours after it is demanded, the form of proxy must be delivered to PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, United Kingdom, not less than 24 hours before the time appointed for the taking of the poll. In the case of a poll not taken during the AGM but taken not more than 48 hours after it was demanded, the form of proxy must be delivered:
 - a. in accordance with Note 1 above; or
 - b. at the meeting at which the poll was demanded to the Chairman, secretary or any director.
10. 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 of the company or an attorney for the company.
11. Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power of authority) must be included with the form of proxy not less than 48 hours before the time appointed for holding the AGM or adjourned meeting to which it relates.

Appointment of proxy electronically

12. As an alternative to completing the hard-copy form of proxy, you can appoint a proxy electronically by visiting www.signalshares.com. You will be asked to enter your investor code shown on your share certificate or form of proxy and agree to certain terms and conditions. For an electronic proxy appointment to be valid, your appointment must be received by Link Asset Services not less than 48 hours before the time appointed for holding the AGM or adjourned meeting to which it relates.

Appointment of proxies through CREST

13. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic appointment service may do so for the AGM and any adjournment(s) thereof by utilising the procedures described in the "CREST Reference Manual" issued by Euroclear UK & Ireland Limited (the "CREST Manual"). CREST personal members or other CREST sponsored members and those CREST members who have appointed (a) voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
14. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear UK & Ireland Limited's 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 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, Link Asset Services (ID: RA10), by the latest time for receipt of proxy appointments specified in these notes. 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. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
15. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in 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 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 provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
16. 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.

Appointment of proxy by joint holders

17. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

18. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
19. Where you have appointed a proxy using the hard-copy form of proxy and would like to change the instructions using another hard-copy form of proxy, please contact Link Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, United Kingdom.
20. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

21. Any appointment under a form of proxy may only be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the form of proxy was given to PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, United Kingdom.
22. A notice revoking a proxy appointment only takes effect if it is delivered before:
 - a. the start of the AGM or adjourned meeting to which it relates; or
 - b. (in the case of a poll not taken on the same day as the AGM or adjourned meeting) the time appointed for taking the poll to which it relates.
23. Appointment of a proxy does not preclude you from attending the AGM (or any adjournment thereof) and voting in person. If you have appointed a proxy and attend the AGM (or any adjournment thereof) in person, your proxy appointment will automatically be terminated.

Corporate representatives

24. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative exercises powers over the same ordinary shares.

Verification of identity

25. Shareholders, proxies and authorised representatives will be required to provide their names and addresses for verification against the register of members and proxy appointments received by the Company before entering the AGM. Each authorised representative must produce proof of his or her appointment, in the form of the actual appointment or a certified copy. Other than this, there are no procedures with which any such persons must comply in order to attend and vote at the AGM.

Issued shares and total voting rights

26. As at close of business on the day immediately prior to the date of posting of this notice of AGM, the Company's issued share capital comprised 71,094,974 ordinary shares. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at close of business on the day immediately prior to the date of posting of this notice of AGM is 71,094,974.

Electronic address

27. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in this notice of AGM (or in any related documents including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

EXPLANATORY NOTES TO THE BUSINESS OF THE MEETING

Resolution 1

The directors are obliged to lay the annual financial statements, the directors' report and the independent auditor's report before shareholders each financial year at a general meeting.

Resolutions 2 and 3

The Company is required to appoint an auditor at each general meeting at which accounts are laid before the shareholders to hold office until the next such meeting.

Resolution 2 proposes the reappointment of Ernst & Young LLP as auditor of the Company. Ernst & Young LLP have indicated that they are willing to continue to act as the Company's auditor for a further year.

Resolution 3 authorises the directors to determine Ernst & Young LLP's remuneration.

You are asked to authorise the directors to reappoint Ernst & Young LLP as auditor and to authorise the directors to determine their remuneration.

Resolutions 4 to 10

Each director identified in resolutions 4 to 10 is required under the Company's Articles of Association to retire at the AGM, provided that each such director is eligible for reappointment. Each director identified in resolutions 4 to 10 offers himself or herself for re-election.



MEREO BIOPHARMA GROUP PLC

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